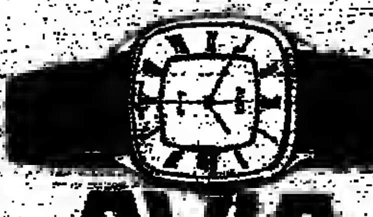
FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
No. 28,083 Saturday February 2 1980 20p
CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr. 4.25



NEWS SUMMARY

GENERAL

Olympics win European support

Olympic committees of 10 western European countries meeting in Frankfurt said they had a "strong desire and willingness" for their athletes to take part in the Games. In Peking, China announced it would join Chile in a boycott.

The European Committee chiefs said they, and not their Governments, should decide whether to send teams to Moscow. They meet again in Brussels on March 22.

China said it was inappropriate to hold the games in Moscow "while the Soviet Union continues to occupy Afghanistan in disregard of the resolution of the UN General Assembly." Page 2

Relations severed

Spain broke off diplomatic relations with Guatemala over the storming of its Guatemala City embassy by security forces during with 38 people died. Page 2

Basque killings

Gunmen believed to be Basque guerrillas shot dead six policemen in an arms convoy ambush on a lonely coast road near San Sebastian. Page 2

£25m oil suit

Shell has sued Oxford Shipping of Liberia and Frederick Soudan, for compensation for oil insured at $56.3m (about £25m) which disappeared from the tanker Salem which sank off West Africa. Back Page

Fontanet shot

Former French Cabinet Minister Joseph Fontanet, 59, was shot and critically wounded outside his Paris home. A group called the "Autonomous Revolutionary Brigade" claimed responsibility. Page 2

Miller pledge

U.S. Treasury Secretary, G. William Miller, a former Textron chairman, says he will not resign over allegations in a Securities and Exchange Commission suit that he was aware of improper payments by the company to Defence Department officials and members of Foreign Governments.

Khomeini feted

Thousands of Iranians thronged the streets of Tehran to celebrate the first anniversary of Ayatollah Khomeini's return from exile. Page 2

Abdication talks

Dutch Cabinet was discussing the complex arrangements for the formal abdication in April of Queen Juliana, 70, and the investiture of her daughter Crown Princess Beatrix. Woman of the Week, Back Page

Concerts off

English Chamber Orchestra is to cancel seven concerts in Russia next month. In London tomorrow, three Russian skiers receive a £100,000 international award for valour in sport.

Corrie opposition

Two out of three women aged between 25 and 34, the main child-bearing years, are against tougher abortion laws, according to a Gallup survey. The Commons debates the Corrie abortion amendment Bill next Friday.

Water music

Drummer Mike Freer played an underwater solo in a 11-foot deep tank outside his music shop in Farnborough, Hants. He is claiming a world record for the two-hour performance.

Briefly . . .

England's middle order collapsed on the first day of the Third Test against Australia in Melbourne. England were 231-6 at the close.

BUSINESS

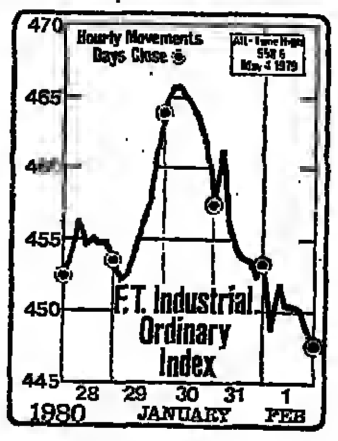
Sterling firm; Equities off 5.5

● STERLING closed at $2.2740, a rise of 70 points. Its trade weighted index was 72.0 (71.8). DOLLAR fluctuated gently to close at DM 1.7435 (DM 1.7440). Its index was 85.2 (85.1).

● GOLD rose by $27.5 in London to close at $677.5.

● GILTS weakened, although shorts recovered slightly later. The Government Securities index closed 0.82 down at 66.45.

● EQUITIES fell, the FT 30-share index closing 5.5 down at



the day's lowest of 447.8.

● WALL STREET was down 0.51 at 875.34 just before the close.

● REDUCTION in Minimum Lending Rate may come in the next few months, Barclays Bank economists argue. Page 3

● INSAC Viewdata, the National Enterprise Board subsidiary marketing electronic information services, may seek finance from private investors. Back Page

● EDWARD DU CANN has resigned as chairman of Cannon Assurance, which he acquired in partnership with Keyser Ullman in 1972. Page 3

● TALBOT UK, formerly known as Chrysler, has been given a £30m cash injection by its French parent group. Back Page

● JAPANESE car makers are to continue their voluntary restrictions on shipments to the UK. Back Page

● COURTAULDS is to end its polyester yarn operations in Northern Ireland, with the loss of more than 230 jobs. Page 3

● VICTORIA Station may be developed into a rail-air terminal and office complex at a cost of £50m. Page 17

LABOUR

● WATER authorities and unions were still talking last night after the employers increased their pay offer by 4 per cent.

● ROVER car workers at Solihull demonstrated against the BL campaign to persuade employees to accept a 5 per cent pay offer. Page 3

BIDS AND DEALS

● STANDA, Italy's biggest chain store group, is to pool its hypermarket division with that of Carrefour of France. Page 19

● BASF, the West German chemical concern, has sold its 40 per cent holding in Roehm to Chemische Werke Huels, the chemicals arm of Veba. Page 19

COMPANIES

● SALES of Sacilor Sollac, France's second biggest steel producer, rose by 11.9 per cent last year to FFr 9.9bn (£1.07bn). Page 19

● WHOLESALE Fittings reports first-half pre-tax profits up from £847,000 to £1.49m, on turnover of £11.45m (£9.12m). Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Minoren	323	+ 20
Debenhams	87	+ 3	Oakbridge	235	+ 41
Edwards (Louis C.)	61	+ 3½	Otter Exploration	93	+ 12
Ferranti	480	+ 15	FALLS		
First Castle Secs.	37	+ 6	Treasury 12pc 1984	£89½	− ⅜
Heron Motor	37	+ 4	Treasury 13¼pc 1993	£97¾	− 1½
Jacks (Wm.)	42	+ 5	Assoc. Engineering	71½	− 3
Metal Closures	119	+ 6	Barker & Dobson	28	− 3½
Morgan Edwards	112	+ 6	Beecham	117	− 6
Phoenix Timber	144	+ 9	Channel Tunnel	105	− 15
Serck	69	+ 18	Dowty	158	− 6
Sothebys	493	+ 6	Dunhee-Combex-Marx	19½	− 4½
Thermal Syndicate	105	+ 8½	Fisons	277	− 7
United Newspapers	362	+ 7	GEC	349	− 5
Wholesale Fittings	490	+ 30	Glaxo	467	− 10
Aran Energy	292	+ 16	ICI	375	− 8
Guthrie	723	+ 15	Lloyds Bank	300	− 8
Cons. Gold Fields	478	+ 8	Metal Box	238	− 16
De Beers Dfd.	478	+ 12	Racal Elec.	226	− 13
EZ Inds.	290	+ 30	Town & City	17¼	− 2
Hampton Areas	320	+ 20	Shell Transport	346	− 12

Private steelmen called out again after Lords' ruling

BY ALAN PIKE, LABOUR CORRESPONDENT

Private-sector steel workers were ordered last night to rejoin the national steel strike within hours of the House of Lords ruling that their union is entitled to involve them in the dispute.

The Iron and Steel Trades Confederation executive has told the 15,000 private-sector workers, whose companies provide about a quarter of the nation's steel needs, to strike indefinitely from tomorrow.

Mr. Bill Sirs, ISTC general secretary, predicted that as a result of this decision industries which relied upon supplies of steel could begin running down severely within two weeks.

Last night Mr. John Paterson, president of the British Steel Producers' Association, said "This extension of the dispute will be a tremendous waste of effort on everyone's part.

"The essential thing is for a settlement between the unions and the British Steel Corporation. We private-sector steelmakers can have no influence upon that."

He estimated that the 100 member-companies of his association would lose £10m a week because of the strike decision.

The ISTC executive met immediately after five Law Lords had unanimously reversed the decision by Lord Denning and two other Court of Appeal judges that the union could not draw private-sector workers into its dispute with BSC.

The private-sector workers were on strike briefly at the beginning of the week, but were ordered to return to work after Lord Denning's decision.

The Lords will give their detailed reasons later, but Lord Diplock, giving the decision, said that there was no relevant difference between the present case and a recent decision in favour of the National Union of Journalists in Express Newspapers v McShane.

"In my opinion, the present appeal is covered by that decision, and the Court of Appeal were wrong in deciding it was not," said Lord Diplock.

Mr. Sirs was the only person at the executive meeting to speak against calling out the private-sector members immediately.

In his opinion, it would have been betted to delay the private-sector strike call for a week in the hope of increasing pressure for a settlement of the BSC dispute.

In spite of the decision to step up the strike, Mr. Sirs has begun exploratory talks with BSC management and expects to continue these next week. He said he believed the atmosphere was changing, and that there were now people within BSC seeking a settlement.

The corporation has not come close enough to the union's demands for it to consider recalling its negotiating committee, and yesterday's swift and unanimous decision by the executive illustrated that union leaders remained determined to pursue the strike aggresively.

At the court hearing the 16 private companies were ordered to pay the union's costs of the legal action.

Mr. John Melville Williams, QC, for the ISTC, argued that Lord Denning had made an artificial construction of the evidence.

He had decided that the union had stage-managed a second dispute with the Government, and had said that an injunction should be granted to prevent action which would be disastrous for the economy and life of the country.

But, said Mr. Williams, the economic consequences of extending the strike into the private sector were far from

Continued Back Page
Effects of strike Page 2

Iran raises crude to record $31 a barrel

BY RAY DAFTER, ENERGY EDITOR

IRAN has raised all its crude oil prices by $2.50 a barrel, a move that has created a new price turmoil in the international oil market.

The base contract price of Iran's light crude oil has now soared to a record $31 a barrel, above the value of higher quality oil being sold by some African and North Sea producers. The price is even higher than some of the values being quoted for small consignments on the spot market.

The National Iranian Oil Corporation said that the increase became effective yesterday. This contrasts with the decision taken earlier this week by five Gulf producers — Saudi Arabia, Kuwait, Iraq, the United Arab Emirates and Qatar—which backdated a $2 a barrel rise to January 1.

Saudi Arabia, the first to announce a price increase, explained that it had taken the action to bring its prices more in line with those of other producers and to encourage greater pricing stability and uniformity in the market. However, this attempt has been thwarted, partly by the other Gulf producers but in particular by Iran.

Within the oil industry it is felt that the main African exporters—Algeria, Libya and Nigeria—will almost certainly adjust the prices of their high quality oil in order to maintain pricing differentials within the Organisation of Petroleum Exporting Countries. Such a move would inevitably lead to a rise in North Sea oil prices which are linked to a Forties Field marker value of $29.75 a barrel.

As it is, there are a number of North Sea producers—in the main, small independent companies — which claim that Britain is losing hundreds of millions of pounds of tax revenue a year as a result of the Government's moderate pricing stance.

Mr. David Howell, Energy Secretary, has told the State-owned British National Oil Corporation, the biggest trader of North Sea oil, that it must follow international pricing trends. This policy pleases companies with oil refineries for it means they can acquire feedstock material more cheaply than in some international markets. But companies which are in the North Sea primarily to produce oil for trading complain that they are being forced to sell oil at below its true market value.

The main buyers of Iranian crude oil are faced with paying even more than $31 a barrel. For contracts recently signed with groups of Japanese and European companies are based on a formula involving both contract and spot market values. Consequently, companies which have been paying $30 a barrel will now have to pay $32.50.

British Petroleum and the Royal Dutch/Shell Group are among those with nine-months supply contracts with Iran—BP is lifting 125,000 b/d and Shell is buying 95,000 b/d.

Rockwell buys £9m Serck stake

BY RAY MAUGHAN

ROCKWELL International, the U.S. engineering and electronics group has bought 29.7 per cent of Serck the British valve and heat treatment group for £9.5m.

Rockwell says the investment has been made without commitment as to the future.

The group, which is the 36th largest U.S. industrial group, is seeking an early opportunity for discussions with the Serck board "to review the options open for a closer relationship with Serck."

Serck shares jumped 18p yesterday to 69p when stockbrokers Cazenove and Co. announced that it had acquired the stake on behalf of Rockwell at 75p per share.

Rockwell is understood to have responded to concerted share buying from another source earlier in the week.

The stockbroking firm was able to buy the stake yesterday morning partly in the market and partly from institutional holders.

The managing director of Serck, Mr. John Pinckard, returned from a round of business meetings in Europe late yesterday afternoon and the UK group has yet to make a formal reply.

The two sides are arranging a meeting "sooner rather than later," Mr. Pinckard said, "but at the moment we don't know what our plans are."

In 1977 Serck successfully defeated a share offer from Associated Engineering, worth almost 90p, and comfortably beat the profit it put in its defence against the bid that year.

News Analysis, Page 17
Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Bank acts to ease interest rate rise

By Peter Riddell, Economics Correspondent

THE BANK of England yesterday took further action to ease the severe shortage of cash in the money markets and the banking system which has been pushing up short-term interest rates over the last month. This was reflected in a rise in Treasury Bill rate to a record level at the afternoon tender.

The rise in money market rates has been putting pressure on the banks to consider raising their rates and the cost of overdrafts. But this is at present considered unlikely not least because of the potential embarrassment and controversy about increasing interest rates at a time when the banks will be reporting very large increases in profits for 1979.

Moreover, the authorities also appear keen to maintain stability, at least until the Budget on March 26 in the face of what are regarded as temporary pressures that also appeared last year.

The immediate cause has been a withdrawal of money from the markets as a result both of heavy seasonal tax payments and of recent large sales of gilt-edged stock. But the pressure also, more fundamentally, reflects the impact of a tight monetary policy at a time of rapid inflation.

The main move yesterday was the postponement for two months of the recall of £500m of the £1bn of special deposits that the Bank released back to the banking system in mid-January. This money, due to have been returned next Friday, is now repayable on April 8. A further call of £500m is due on March 8.

The Bank presented this as "solely a technical market smoothing operation" which implies "no relaxation of the present policy of continuing monetary restraint."

This step is additional to continuing large Bank help for the market since mid-January in the form of direct lending, purchases of bills and other transactions. This has not been below £200m-£300m each day in the period, and total support may sometimes have been about £1bn.

Nevertheless, short-term interest rates have frequently been 18 per cent or more. This has created the opportunity for round-tripping, by which major customers can borrow from their clearing banks at a point over base

Continued on Back Page
Pressures for reduction in MLR, Page 3

GEC poised in rival bid for Decca

BY CHRISTINE MOIR

GEC is on the point of making a bid for Decca, the music, television and electronics group whose architect, Sir Edward Lewis, died on Monday days after signing his agreement to a bid from Racal Electronics.

Yesterday GEC's advisers, Morgan Grenfell, heralded the first round of a major bid battle by saying that GEC was "formulating proposals for offers" to the shareholders.

Little delay is expected before the bid terms are announced and there is every expectation that it will be in cash. In its last balance sheet, GEC showed over £700m of cash and liquid securities, although it has since then spent £98m on taking over Averys, the weighing-machine group.

Racal's week-old bid is all for shares and values Decca at around £66m.

It has already been irrevocably accepted by shareholders, including Sir Edward's trustees, controlling 17.2 per cent of Decca's voting capital and is unanimously recommended by the board. In addition, Racal owns just under another 6 per cent in its own right.

Some ambiguity, however, surrounds the 8¾ per cent stake registered in the name of Dr. J. Dimenstein, Decca's Swiss director. The shares are owned by his wife and have not so far been committed to Racal's offer.

Reputation

Of the remaining voting shares, some 30 per cent are owned by institutions whose representatives yesterday said they "were happy to sit back and enjoy" the looming battle.

The contest is over Decca's defence electronics and marine radar and navigation businesses, which have a world-wide reputation. Neither side is interested in the music business, the bulk of which has in any case recently been sold to Polygram in Germany.

Decca also has a television division but this is a relatively small part of the group. GEC manufactures televisions in its own name and in partnership with Hitachi.

GEC's own electronics business, mainly in the space, defence and avionics industries is concentrated on the GEC-Marconi group of companies, which last year had a turnover in excess of £500m.

Only two months ago, Marconi won a £200m contract from the Ministry of Defence to develop the final stages of "Sting Ray," the anti-submarine guided missile.

Marine radar is a key element for both GEC and Decca but in the main the marine navigational markets to which they sell are complementary rather than overlapping, although in some areas Decca has been a GEC sub-contractor.

This is presumably something the Office of Fair Trading will be looking at when it assesses the alternative bids from Racal and GEC. So far, however, the office has given no indication as to whether it is considering refering the case to the Monopolies Commission.

Specialist

Racal's electronics business, sales of which have grown from £54m to £227m over the past five years, is based on specialist radio communications systems. Mr. Ernest Harrison, Racal's chairman, is keen to merge those skills with Decca's microwave technology in the radar field.

Although Racal would not comment yesterday on GEC's entry into the lists, its advisers, Hill Samuel, confirmed that it was going ahead with the formal offer document which can be expected within 10 days or so.

The market, however, reacted strongly. Racal's price dropped 13p to 226p. GEC also lost 5p to close at 349p. Decca's voting shares were suspended at 390p and the "A" shares at 338p.

In recent months, Decca's share price has been buoyed up by bid hopes as Sir Edward relinquished his fiercely independent hold over the group in which he controlled at least 20 per cent of the votes.

It had been widely known that he had rejected several approaches in recent years, including overtures from Sir Arnold Weinstock, GEC's chairman, despite Decca's gathering problems. The group's profits fell from a peak of £16m in 1974 to a loss of £400,000 last year.

£ in New York

—	Jan. 31	Previous
Spot	$2.2710-2726	$2.2625-2635
1 mth	0.78-0.73 dis	1.05-1.00 dis
3 mths	1.85-1.80 dis	2.04-1.99 dis
12 mths	4.10-3.95 dis	4.15-4.00 dis

OVERSEAS NEWS

Spain recalls envoy after killings

BY ROBERT GRAHAM IN MADRID

SPAIN last night broke off diplomatic relations with Guatemala, bitterly denouncing the behaviour of the Guatemalan security forces in the bloody siege of the Spanish Embassy there that led to the deaths of 39 people on Thursday.

This is the first time since the Spanish Civil War that Spain has broken relations with a Latin American or Central American country.

The Government statement announcing the break was couched in tough language. It said that the Guatemalan authorities had failed to observe the most elementary norms of international law in permitting their security forces to "brutally" break into the Spanish Embassy compound to end a siege by a revolutionary peasant group.

The statement insisted that Sr. Maximo Cajal, the Spanish ambassador, had given no authorisation for such entry. Sr. Cajal was recovering from severe burns yesterday, but the three other members of his staff were killed in the siege.

Reports from Guatemala City said 32 people claiming to be peasants had held the embassy for several hours, having entered it saying they wanted to talk to the Ambassador. They were apparently protesting against alleged repression by the army. Police surrounded the building and stormed it several hours later.

Sr. Cajal escaped through a window during a fire which a Guatemalan Government spokesman said was caused by petrol bombs.

Witnesses claimed they heard the hostages telling security forces not to storm the second floor, on which they were being held, as the peasants had agreed to leave the building with some hostages as a guarantee of their safety.

Six police shot dead in Basque ambush

BY OUR MADRID CORRESPONDENT

SIX PARAMILITARY Civil Guards were shot dead early yesterday in an ambush on a lonely coastal road near San Sebastian. The incident, which bore the hallmarks of the militant Basque separatist organisation, ETA, was the worst in the Basque country since the death of Franco.

The ambush occurred when two police Land Rovers were accompanying a munitions truck to test some weapons at a beach firing site near Lequeitio. Police sources said the Civil Guards, three in each vehicle, appeared to have been killed instantly. One Land Rover had over 50 bullet holes.

The attackers did not aim at the civilian driver and his companion in the accompanying munitions truck, and both escaped unhurt. The attackers seized three mortars from one of the convoy vehicles, but these were subsequently recovered, the police said.

One person, assumed to be an attacker, was found dead in a nearby abandoned car, apparently killed when he tried to detonate a grenade.

There have now been 18 killings in the Basque country this year. Of these, 12 are believed to have been carried out by ETA. The climate of violence is now worse than before last October's referendum approving the region's autonomy statute. Only three days ago, three army officers narrowly escaped death in a bungled ambush.

There is also an increasingly bitter internecine struggle between ETA and its sympathisers and the extreme Right and its sympathisers within the police forces there. Five people have been killed this year in attacks carried out by Right-wing extremist organisations.

This violent backdrop to the March 8 elections for the Basque Parliament is of increasing concern to the Madrid authorities. Right-wing and extremist groups yesterday called for postponement of the elections.

Swedish call for 1990s aircraft

By William Dullforce in Stockholm

GENERAL Lennart Ljung, Supreme Commander of the Swedish Defence Forces, yesterday gave a new twist to the four-year-old drama over the procurement of a new aircraft for the Swedish air force and the future of the country's aircraft industry.

He declined to support a request from Lieutenant-General Dick Stenberg, the air force commander, that the Government order a new trainer/attack aircraft, the SK 2, from Saab-Scania. Instead, General Ljung suggested that Saab-Scania be commissioned to develop a new light, multi-purpose aircraft for the 1990s.

The Supreme Commander's recommendation is the more surprising in that he has exceeded his directives from the Government. He had been instructed to choose one of three alternatives: procurement of a new light trainer/attack aircraft, modernisation of the air force's existing Saab Draken aircraft and the ordering of two more squadrons of Saab Viggen interceptors, and the purchase of the American F-16 fighter or its equivalent from abroad.

General Ljung indicated yesterday that he would prefer the foreign aircraft but added that the long-term requirements of the air force could be more completely met by an aircraft designed to fit Sweden's unique air base system.

Provisionally designated the JAS, this aircraft would combine air defence, ground attack and reconnaissance roles but would have sufficiently short take-off and landing capability to operate from rough air strips or highways.

By abandoning the controversial SK 2 and putting forward the JAS, General Ljung clearly hopes to break the domestic political deadlock.

European Olympic chiefs reject Moscow boycott

BY OUR FOREIGN STAFF

THE Olympic Committees of 10 Western European nations yesterday endorsed their countries' participation in the Moscow Olympics despite growing pressure for a boycott following Russian intervention in Afghanistan.

Their decision was announced after a four-hour meeting in a hotel at Frankfurt's international airport, called by West Germany and Italy to discuss a joint stance on the question.

A joint statement issued by those at the meeting—Belgium, Norway, Luxembourg, Holland, Britain, Denmark, Switzerland, Spain, West Germany and Italy and the president of Egypt's Olympic Committee—reiterated that national Olympic Committees have sole responsibility to decide whether their athletes will compete.

Common Market Foreign Ministers are also expected to discuss a boycott when they meet in Brussels next week. It is thought unlikely that they will reach a common position, however, as the relationship of each government with its Olympic Committee is different.

Meanwhile, the Japanese Government has told its Olympic Committee it is "desirable" that it should not attend the Moscow Games.

In Ankara, Mr. Bulent Ecevit, Turkey's former Premier and chief Opposition leader, indicated that he would be against his country boycotting the Games.

The Turkish Government has not yet made its position clear, but Ecevit said: "I believe it is useful for world peace and the development of humanity to keep such affairs dissociated from political considerations."

Zaire yesterday announced that it will not take part in the Moscow Games, becoming the second French-speaking African country to do so. Djibouti has already decided to support the boycott.

Tony Walker adds from Peking: China has virtually said it will not take part in the Moscow Games while Soviet troops remain in Afghanistan.

In the strongest statement yet, China's Foreign Ministry said Peking supported calls for the "transfer or cancellation" of the Games.

"While the Soviet Union continues to occupy Afghanistan in disregard of the resolution of the United Nations General Assembly, it is clearly inappropriate to hold the Summer Olympic Games in Moscow," a Foreign Ministry spokesman said.

If the International Olympic Committee fails to make such a decision, the Chinese Government will ask the Chinese Olympic Committee seriously to consider staying away, the spokesman said.

A number of other countries can be expected to be influenced by China's action.

This was to have been China's first Olympic competition since the Helsinki Games in 1952.

Karmal appeals for youth force

BY DAVID SATTER IN MOSCOW

MR. BABRAK KARMAL, the Soviet-backed President of Afghanistan, has urged Afghan youths to set up detachments of volunteers to protect bridges, passes and roads against Moslem insurgents. Victory would not "come of itself," he said.

The President's appeal was reported by the Soviet news agency Tass, and is the latest in a series of indications that the anti-Government rebels are putting up stiff resistance to Soviet and Afghan troops.

Moslem leaders in the Soviet Union have backed the military intervention in Afghanistan and accused the United States and "other reactionary forces" of trying to split the Moslem world. In a statement issued through Tass, senior clerics expressed solidarity "with the freedom loving people of Afghanistan and Iran."

The Soviet Press has been trying in the last 10 days to depict the Soviet Union as a friend of the Moslem world. Tass reacted to the decision of the Islamic Conference calling for withdrawal of Soviet troops from Afghanistan by calling it "gross interference" in Afghanistan's internal affairs.

Mr. Karmal said that there was no doubt that on the basis of the unity of the people, the army and the People's Democratic Party, the struggle to put an end to the crimes of "terrorists and saboteurs" sent into Afghanistan from Pakistan would be won.

It is understood that a hospital for Soviet war casualties has been opened in Tashkent and that many of the injured brought there bear the marks of mutilation and torture by Afghan guerrills. Notifications of the deaths of soldiers sent to Afghanistan have been arriving in Moscow.

Brij Khindaria reports from Davos: Dr. Henry Kissinger, the former U.S. Secretary of State, said here yesterday that he was convinced that the Russians would not quit Afghanistan. He called for a summit of western leaders to chalk out a strategy to contain Soviet expansion.

The immediate threat to Europe came from possible Russian armed intervention in Yugoslavia, Dr. Kissinger told a symposium of 500 senior European businessmen. Mr. Edward Heath the former British Prime Minister, presided.

Dr. Kissinger predicted more Soviet actions outside Europe, because of the need for Russia's cumbersome bureaucracy to pacify likely external security threats so as to solve the growing domestic problems of economic stagnation and social tension.

Pompidou Minister wounded

By David White in Paris

M. JOSEPH FONTANET, a former centrist Minister in several French Governments, was shot and critically wounded in the street outside his Paris home early yesterday.

The motive was not clear, although it was claimed by an anonymous phone call to a news agency that the shooting was carried out by the "Autonomous Revolutionary Brigade"—a group unknown to the French police.

M. Fontanet was shot as he was closing the back door of his car. There were no witnesses, but police said the shot was fired from a passing car.

M. Joseph Fontanet

The former Minister was given emergency treatment on the spot before undergoing a six-hour operation in hospital. The anonymous caller said M. Fontanet was the first name on a list of victims.

There is no obvious reason why M. Fontanet should have been chosen. He has been out of politics for more than five years except for a brief interlude as a newspaper editor.

Under President Georges Pompidou he was Labour Minister and then Education Minister.

His political downfall came with the election failure of M. Jacques Chaban-Delmas, whom M. Fontanet backed in the 1974 Presidential contest.

M. Fontanet, who is 59, has more recently been involved in a company dealing with local government development contracts.

In December, 1976, another former Minister, Prince Jean de Broglie, was shot dead in Paris. The circumstances have never been explained.

Security tops agenda in Paris

BY ROBERT MAUTHNER IN PARIS

CO-ORDINATION OF French and West German policies in the wake of the Soviet intervention in Afghanistan will be the top item on the agenda of the Franco-German summit talks beginning here tomorrow.

The regular six-monthly meeting between President Giscard d'Estaing and Herr Helmut Schmidt, originally scheduled to last two days, has been extended at the West German Chancellor's request, because of the importance and complexity of the subjects to be discussed.

Herr Schmidt is bringing an unusually large delegation to Paris, including 11 Ministers who will meet their French opposite numbers, as well as taking part in a joint session of the two delegations.

Both sides have stressed that French and German policies towards the Soviet Union following the invasion of Afghanistan are very close. Herr Schmidt made an unscheduled stop-over in Paris on his way back from Madrid earlier this month and exchanged views on the crisis with President Giscard.

It was agreed, then, that while both France and West Germany condemned the Soviet action, attempts should be made to keep the lines to Moscow open as the only way of bringing about a change in Soviet policies.

The Germans are understood to want to define the steps which Bonn and Paris could take in support of a joint Western effort on Russia.

According to informed sources, West Germany is prepared to make a greater military commitment to NATO's central European defences in the event of a sudden withdrawal of U.S. and British troops from West Germany to deal with an emergency in the Gulf area.

But Bonn is also seeking a substantial French contribution to a new Western aid package for Turkey—which, it is hoped, will be at least \$1bn—to strengthen NATO's southern flank.

A solution to the problem of Britain's contribution to the EEC budget is another important item on the agenda. Though decisions on this can only be taken by the EEC as a whole, a joint Franco-German position is clearly a pre-requisite for a settlement.

So far, there are no indications that either is prepared to agree to anything approaching the British Government's demands for a reduction in its net contribution to the EEC budget, estimated at about £1.2bn for 1980.

S. Africa 'set for progress'

By Quentin Peel in Johannesburg

SOUTH AFRICA is on the threshold of renewed economic progress and greater international tolerance, but still faces an unremitting military onslaught, Mr. Marais Viljoen, the President, said yesterday.

Delivering his annual State of the Nation address at the opening of Parliament, Mr. Viljoen promised an expansionary economic policy, coupled with the promotion of the private sector, and political "reforms and new initiatives." But he also stressed the need for tough and effective security measures to counteract the "terrorist onslaught."

His emphasis on the prospects for economic growth, and the Government's intention of pursuing the proposed reforms of the Riekert and Wiehahn Commissions on labour laws, underlined the Government's shift of priorities from the ideological to the economic sphere.

But his promise of further action to enable the training of skilled black workers coincided with a warning by Mr. Arrie Paulus, secretary of the powerful white mineworkers' union, that a confrontation between the Government and white workers would happen this year.

Mr. Viljoen, who was elected State President after Mr. John Vorster resigned the position last June over the Information Department scandal, warned of a "new dimension" to the military onslaught against the country, involving attempts to undermine the morale of the South African Defence Force and its national servicemen.

Cossiga set to win vote of confidence on violence

BY PAUL BETTS IN ROME

SIG. FRANCESCO COSSIGA, the Italian Prime Minister, was last night set to win a vote of confidence in his Government at the end of a stormy Parliamentary debate over his minority Administration's recently introduced emergency anti-terrorist measures.

This followed agreement by both the Communists and the socialists to vote in favour of the Government, although both parties stressed their support was purely "technical" to enable the anti-terrorist decree law to win Parliamentary approval.

Sg. Cossiga was forced to turn the debate into a question of confidence because of a campaign by the small left-wing Radical Party to filibuster the decree law.

This seriously put at risk the law, which required Parliamentary approval by February 14, and which, among other things, gives Italian security and police forces greater powers of interrogation and holding terrorist suspects.

The Radicals' obstruction was increasingly threatening the credibility of the Parliament, especially as it coincided with a fresh outburst of political violence in Italy this week.

The Radicals delayed approval of the decree law for five days.

Both main left-wing parties indicated this did not mean they generally backed the minority Administration. Both have renewed calls for an alternative political solution, to give Italy a more stable Government to tackle the growing economic and social difficulties.

U.S. jobless total rises to 6.4m

By Jurek Martin, U.S. Editor in Washington

THE U.S. unemployment rate rose appreciably in January to 6.2 per cent, compared with 5.9 per cent in the previous month. Those out of work numbered 6.4m, a rise of 340,000 on December.

The most obvious interpretation is that the slowdown in economic activity has finally started to affect the employment picture, although officials were careful to point out yesterday that one month's figures may be illusory.

In its budget for the 1981 fiscal year, beginning in October, the Administration forecasts that unemployment could rise to 7.5 per cent towards the end of this year as the economy endures a mild recession. Only a weak recovery is forecast for the second half of the fiscal year.

Israel set to pounce on Syria

ISRAEL is preparing for an all-out attack against Syria and the Palestinian guerrillas in southern Lebanon, according to the Damascus, government-backed daily newspaper al-Ba'ath.

At the same time, artillery duels between Israeli and Israeli-backed local Lebanese Christian forces on one hand and Palestinian guerrillas and their Lebanese Moslem and Leftist allies on the other, have gained in intensity.

According to the state-run Radio Lebanon, almost all parts of the south have been shelled during the past two days. In addition, it reported, Israeli fighters buzzed the south and Israeli gunboats were patrolling the Lebanese coastline.

The Syrian newspaper, which was quoted by Damascus Radio, referred to statements made on Wednesday by Mr. Ezer Weizman, the Israeli Defence Minister, in which he confirmed that Israel had taken military measures near its northern borders with Syria and Lebanon.

The measures followed the deployment of Syrian reinforcements in the Bekaa Valley in Eastern Lebanon facing Israel, about 30,000 Syrian troops serve in Lebanon as an Arab League deterrent force.

A Right-wing newspaper here, Al Alam, quoted what it called a "secret diplomatic report" predicting the outbreak of a Syrian-Israeli war in March.

Meanwhile, tension developed in Northern Lebanon as rival Christian militias battled.

The clashes between the private armies of the Phalange Party, Lebanon's largest Christian organisation, and the National Liberal Party (NLP) of former President Camille Chamoun, centred on two small towns, Annaya and Ehmij, in the Byblos Hills, some 25 miles north-east of Beirut.

According to police reports, 13 people have been killed and many wounded.

The friction has deepened the split in Christian ranks as leaders of the NLP were meeting yesterday to consider whether to end the alliance with the Phalange Party.

David Lennon reports from Tel Aviv: All the parties to the negotiations on Palestinian autonomy reported some progress during the latest round of talks which ended here yesterday.

Mr. Sol Linowitz, head of the U.S. delegation, said that agreement had been reached on a number of significant issues, but neither he nor the head of the Israeli and Egyptian teams, would disclose any details about the areas of progress.

It was agreed to speed up the negotiations in an attempt to reach agreement by the May 26 deadline for completion of the talks. New committees will be formed to deal with different issues and to seek areas of agreement between the Israeli and Egyptian concepts of autonomy.

Tehran, revolutionary city, returns to normal

BY SIMON HENDERSON IN TEHRAN

Tehran's open-air shops: it's business as usual as the fervour dies down

TEHRAN MUST be one of the world's ugliest cities in one of the most attractive settings. At this time of year, the snow-covered Elburz Mountains provide a magnificent backdrop to the north, yet the city is a hotch-potch of houses, blocks of flats and skyscrapers—the result of runaway estate speculation.

For a city which has been the centre of a revolution for the past 18 months, things are astonishingly normal. Most shops are open, as are a profusion of street stalls which have cropped up in violation of bye-laws. Goods appear to be available in profusion—clothes, shoes and food.

Some of the clothes are locally made, but the fashions are Western—jeans, sweaters with slogans, and the like. A particularly thriving business is the selling of pirated tapes and, here again, Western tastes predominate.

Even outside the U.S. Embassy the intensity of revolutionary fervour has abated. Traffic now moves normally along the street and it is the exception, rather than the rule, to find a crowd shouting anti-American slogans.

The dominant political obsession is individual fury at the Canadian rescue of U.S. diplomats. "I will never help a Canadian again in my life," one hotel clerk says.

But until that news broke the hostages issue had faded almost completely—the Afghanistan invasion was also largely ignored—while the nation concentrated on the Presidential election.

With Mr. Abol Hassan Bani Sadr's victory, the political graffiti is fading, and the election posters, blown off the walls by the wind, are being trampled into puddles. For a while, the campaign had provided excitement and entertainment, something which in Islamic Iran is in short supply.

Bars and nightclubs have already been closed, and the only entertainment left on TV is probably the children's cartoons. The rest of the evening's fare consists of political discussions, statements by Ayatollah Khomeini, and news programmes. For a time, Tehran TV even ran lessons on how to use a rifle.

It is a similar story on the radio. Elsewhere, the only entertainment left is the cinema. Many were burnt during the disturbances before the Shah left, but the rest are doing a thriving trade, feeding what seems to be a national obsession with violence.

French and Italian films seem to be favourites, especially if they have an anti-American or anti-colonialist theme. The Battle of Algiers ran for weeks, as did State of Siege.

Tehran itself does not have much of a history. In 1779, it was a small town when the first of the Qajar rulers conquered it and made it his capital. Overall, it lacks the flavour of a Middle Eastern city. Amid the hustle of its four million inhabitants, the call to prayer from the local mosques is rarely audible. Travellers searching for the authentic smells of spices, donkeys and camels, are more likely to be asphyxiated by car exhaust fumes.

The only foreign businessmen in town these days tend to be old Tehran hands trying to retrieve funds or debts, or drumming up a little new business. They appear or disappear as if conforming to some barometer. As the tension rises, they vanish. After a few days of calm, they flock back again.

Local businessmen seem to rely on a cash economy and a quick turn-round of money. The food, clothing and pirate cassettes are examples. People walk around with a lot of money—it is not unusual for a taxi driver to produce a bundle of notes containing several hundred pounds. The banks are operating, but nobody seems to trust a current account or a cheque book.

Driving here is probably the worst in the world. The motorists are fast and aggressive, hardly ever stopping at traffic lights unless they see a policeman standing nearby.

Minor scrapes often lead to fights. A taxi I was riding in knocked one car but then drove on, resulting in a high-speed chase through the centre of Tehran until we were halted by a traffic jam.

Both drivers got out, but when the other saw mine, a very stocky young man, he immediately conceded defeat. Another time, I saw a pick-axe handle used against the opposing car and its driver.

The police are not so much respected as the local "committees" who supervise revolutionary law and order. Their rifle-toting patrols are less frequently seen these days, but the random nature of their actions still provokes animosity, as do those of the regular militia now taking over their functions.

The gunmen who are seen as reminders of what the revolution is all about—the purging of the previous society and maintenance of the new. The executions after trials before Islamic courts continue. The charges often still include crimes against god and his emissaries, but the accused are now rarely corrupt officials and soldiers who shot at civilian demonstrators. They are more likely to be murderers, bank robbers and sex-offenders. The total shot in the last year is nearing 1,000.

Socially, Tehran can be divided into north and south. Those with money have "graduated" to the north, where the suburbs cling to the lower slopes of the mountains—the extra elevation is worth several air conditioners in the heat of summer.

Up there, empty houses abound. Some 408,000 foreigners have already left Tehran and the elite of the Shah's regime have either been exiled or, in the case of more than a few, shot.

Enormous disparities in wealth still exist, and also, probably, resentment between groups, but it is not apparent on the surface. The middle class are less religious than the poorer people living in south Tehran, and among the richer women, the all-enveloping veil—the chador—is less often seen. More given to wearing head scarves, they only don the chador when the fervour of religious feeling in the city makes it seem necessary.

Economically and politically, things seem set to become harder in Iran. But sometimes, a curious atmosphere of unreality prevails at weekends, the middle-class still drive their Mercedes and their Range Rovers up to the ski slopes an hour outside Tehran. The fashions may be last year's rather than this, but against the blue sky and glistening snow, could be a whole world away from the revolution — there is not a mullah or a chador in sight.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

UK NEWS

Conscription issue not put to the vote

BY IVOR OWEN

SERVICE CHIEFS are not seeking the return of conscription, Mr. Barney Hayhoe, Under-Secretary for Defence, told the Commons yesterday.

But he failed to persuade Mr. Hugh Fraser (C., Stafford and Stoke), a former Air Minister, to withdraw this Private Member's motion noting the Russian invasion of Afghanistan and calling for the registration of those eligible for national or military service.

Mr. Hayhoe explained that the Government would not oppose the motion, because to do so might create a wrong impression outside the House.

Ministers made no attempt to disguise their relief, however, when the motion was effectively killed by the debate being adjourned without a vote being taken.

Mr. Fraser stressed that he was not calling for the immediate reintroduction of national service—merely the first payment of an insurance policy. It would be a minimal act of prudence for Britain to emulate the action of the U.S., where President Jimmy Carter had ordered the reinstatement of registration for the draft.

The temporary halt of grain supplies to the Soviet Union and pleas for the boycotting of the Olympic Games could not be regarded as an adequate response to the Russian aggression in Afghanistan, he said.

"To play the paper tiger in a thunderstorm is the most undignified situation the Government could get itself into," Mr. Fraser declared.

Mr. Eric Heffer, (Lab. Liverpool Walton), maintained that the logic behind registration could only lead to conscription. This explained the kind of war atmosphere now being built up, in some ways reminiscent of the 1930s and why many people were worried.

He insisted: "We must not drift blindly, stage by stage, and step by step, into a war which nobody wants—a war in which the whole world are the vanquished, because there can be no victors."

In urging Mr. Fraser to withdraw the motion, Mr. Hayboe assured him that the Government did not believe that there was a military or defence need for a register. Registration would be seen as a prelude to something else, creating a climate of uncertainty among young people and employers, and involving a considerable administrative and financial burden at a time when the Government was trying to cut public expenditure.

He also highlighted the strengthened manpower position in the services over recent months. Recruitment was up 27 per cent on a year ago and the number of soilders seeking to leave the Army prematurely had gone down 30 per cent.

Courtaulds to close more Ulster plants

BY RHYS DAVID, TEXTILES CORRESPONDENT

COURTAULDS is to close its remaining polyester filament factories in Northern Ireland. The announcement has come just three days before the EEC Council of Ministers meets to discuss the threat to parts of the European fibre industry by growing American imports.

The latest cuts affect 236 people at specialist spinning and texturising units in Carrickfergus and Larne which were retained by the company after closure in September of other polyester filament plants at these two sites and a third near Londonderry.

About 620 people lost their jobs then, after losses of several million pounds. The company said that the remaining operations were on trial to see if they could "attain viability."

Courtaulds said yesterday that it had hoped to achieve a weekly production at Carrickfergus and Larne of 53 tonnes. But with severe competition from the U.S. sales seemed unlikely to exceed 30 tonnes.

"At that level of production and with continued further depression of selling prices the cash cost of sustaining the Northern Ireland polyester operation has become intolerable."

Courtaulds' internal output of polyester filament will come entirely from its modern plant at Letterkenny in the Irish Republic, intended when planned six years ago to cater for an expected rapid growth in market demand.

The Carrickfergus site will continue to employ about 900 people making nylon and viscose staple. Some 330 in the viscose plant have been laid off since mid-January because of poor trading and their recall is not expected until early March.

About 600 jobs were also lost last autumn in Northern Ireland with phasing-out of polyester filament production at ICI Fibres' Kilroot plant.

The company planned to transfer production to a £50m new plant at Pontypool, Gwent, but this plan has been dropped and ICI plans cuts of more than 2,000 in its 10,000 labour force.

The latest closure announcement seems certain to strengthen the hand of British Ministers at the Council of Ministers' meeting on Monday and Tuesday in Brussels, when the Commission is due to outline its proposed action to deal with the threat by American producers with access to raw materials at substantially lower costs than their European counterparts.

The UK has pressed for Community-wide action, but failing this is likely to insist on introduction of quotas covering the UK market on its own.

Heron-NCB £70m Southampton plan wins approval

BY ROBIN PAULEY

A £70M SCHEME by the Heron Group and the National Coal Board pension funds for the redevelopment of part of Southampton city centre has been accepted by the city council.

Their scheme was chosen yesterday in preference to three others submitted by Town and City Properties, Leigh Developments and a consortium of Tarmac, Asda and Chipperfield.

Under the Heron-NCB link the pension fund will provide the partnership's share of the finance. Heron and NCB will share the project management. Southampton council's financial contribution is expected to be between 40 and 50 per cent.

The scheme provides for the development of 50 acres of land, much of it reclaimed from the River Test, between the docks and the city centre. One of the reasons for the success of the Heron submission was that it forms an extension of the present city centre with the present and proposed shopping centres being virtually side by side.

There will be 250,000 sq ft of office space and a similar amount of shopping space, including two large stores, for which about six companies are already bidding. Major road improvements will be made to give good access to the proposed 400,000 sq ft of industrial space.

A 250-bed hotel with conference facilities, five-acre exhibition centre, a new £15m 40,000-seat football stadium, new central bus station, library, a helicopter landing pad and car parking space for 3,000 vehicles are also planned.

The building work will begin next year and the development will take eight years. The council's share of income from rents in the first year will be £50,000 rising to £1.5m in the eighth year at 1980 prices. This means that for the initial years, at least, a rate levy will be required to cover the council's share of development costs.

Labour to discuss tactics against cuts

BY ROBIN PAULEY

A ROW is expected at Labour's local government conference this weekend over the tactics to be employed against the Government's proposed cuts in public expenditure.

The conference opens in Leicester today and continues tomorrow. There is a wide gulf between the moderates and those members who want the party to become more defiant.

The row will come to a head at this afternoon's working group dealing with finance, administration and tactics at which the speakers will be Mrs. Shirley Williams, former Education Secretary, and Mr. Roy Hattersley, shadow Environment Secretary. They are likely to argue that the party should heal its divisions and act in concert against the cuts but always within the framework of the law.

But their moderate call is likely to face a good deal of opposition from among the record 500 delegates at the conference, many of who feel that Labour controlled councils should resist the cuts at all costs, whatever the penalties for excess spending contained in the Government's new Local Government Bill might mean.

The London Borough of Lambeth and Sheffield City Council are two examples of local authorities determined to fight rather than give way on public expenditure. Both could conceivably find themselves in a confrontation with the Government involving surcharges and disqualifications for overspending.

One tactic which the militants will use is for Labour councillors to resign en masse if the Government reduces future grant aid to compensate for overspending. They would then stand for election again on a specific "No cuts" platform.

The heat of the argument will continue tomorrow when a plenary session will hear Mr. Alan Fisher, general secretary of the National Union of Public Employees, speak about the financial restrictions on local authorities. He is expected to demand that the Labour Party take a much tougher and more defiant stance.

Mr. James Callaghan, the Opposition leader, will be the first speaker today and is expected to attack the unitary grant proposals of the Local Government Bill, which gives the Government overall control of local government expenditure.

Mr. Hattersley will also deal with this subject in his speech on local government matters. He is expected to dwell on the opposition to the unitary grant among Tory councillors as well as their Labour counterparts.

Mr. Ron Hayward, General Secretary of the Labour Party, will lead the attack

Michael Dixon, Education Correspondent, writes: The local authority careers services were too important to be sacrificed to cuts in the authorities' expenditure, Lord Gowrie, Minister of State for Employment said in London yesterday.

If the Government thought that the service was threatened or that youth unemployment would rise as a result, it would take over the service itself.

Tory hopefuls flock to Southend

By Elinor Goodman

SOUTHEND East Conservative Association has been deluged with applications for the Tory nomination for the constituency. Over 270 Conservatives have applied for it in what would rate as a safe Tory seat.

Sir Stephen McAdden, who died just after Christmas, had a majority of 10,774 in the general election, so the successful candidate can be fairly sure that he will be returned as MP for Southend East in the by-election.

The date for the by-election is yet to be announced but Conservative Central Office has already provided the local association with 265 names,

More Home News on page 17

including some former MPs. On top of this about a dozen local Tories have applied.

The selection process will begin shortly and continue over a few weeks in a series of private meetings. The candidate will probably be chosen in mid-February. The by-election will likely take place early in March to get it over before the Budget.

The rush of applicants for Southend East is indicative of the competition any would-be Tory candidate is likely to face in anything like a safe Tory seat.

Central list

Unlike the Labour Party, Conservative Central Office keeps a central list of candidates. This currently has about 500 names. Under the rules of the party, all of them have to be notified of any coming by-election and asked whether they want their names to be submitted.

After the general election all the unsuccessful candidates were asked whether they wanted their name to stay on the list or to go on the "suspension list." The latter is a new category created to deal with those aspirants who are not in a position to fight a by-election but want to keep their hand in for some later election.

Cabinet target for spending agreed

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET has reached broad agreement on the overall target for further public spending cuts approaching £1bn for the next financial year.

A great deal of detail has yet to be completed on separate departmental options, but a further Cabinet meeting might not be necessary before details are published in a White Paper next month.

Although some Ministers including Mr. Mark Carlisle, the Education Secretary are continuing to fight hard to soften the impact of the cuts on specific departments, the Treasury is confident it has achieved its aim.

The major question remains the amount that can be clawed back from the EEC budget contribution.

Social security and housing subsidies are expected to bear the brunt of the cuts. Short-term social security benefits, including unemployment pay, will not be uprated to compensate for inflation.

Prescription charges may increase again, although the Government is standing by its commitment to increase spending on the National Health Service next year.

The Cabinet's task has been made more difficult by the manifesto commitment to strengthen the armed forces and the police, and defence spending will increase by at least 3 per cent in real terms.

To compensate, the Government may be planning further economies by selling State assets in the more profitable sectors of nationalised industries, particularly the British National Oil Corporation.

Mr. Carlisle, speaking in Staffordshire yesterday, said he had no intention of seeing the education service of the country decline while the economy was being rebuilt.

Fewer survey forms for small companies

SMALL COMPANIES are to be relieved of some of the burden of filling in thousands of Government survey forms every year, Mr. David Mitchell, Parliamentary Under-Secretary of State for Industry announced yesterday.

The decision follows the completion of a review of regular statistical surveys, started in June, 1978, by the former Labour Government, with the aim of relieving the burden of form filling for small companies.

In a Commons written answer, Mr. Mitchell said that, apart from the Department of Employment Annual Census of Employment, which was being reviewed separately, small companies had to fill in their share of 1.5m forms sent out each year in 241 statistical surveys.

"As a result of decisions taken in the review, 15 surveys will be discontinued, small firms (those with fewer than 200 employees) will be eliminated from the coverage of a further 5 and the number of forms sent annually to small firms will be reduced by about 277,000 or 18 per cent," said Mr. Mitchell.

Cut in MLR foreseen by Barclays economists

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PRESSURES for a reduction in Minimum Lending Rate could be overwhelming over the next few months, Barclays Bank economists argue in a notably bullish new financial survey.

Barclays economists maintain that the recent slowdown in monetary expansion almost certainly represents a decisive turning point.

The survey's view of financial markets contrasts both with the upward pressure on short-term interest rates at present and with the more cautious attitude of many other City analysts who believe that a reduction in MLR may take some time to occur and the decline may be only gradual.

Barclays economists read the market correctly last year. From summer onwards they warned that MLR might have to rise further from the Budget level in view of the strength of bank lending then.

They now believe that the trend has changed. "Although the immediate causes of slack monetary growth have involved, once again, an excessive reliance on gilt-edged investors, there are signs that this pattern is about to change significantly.

"A public sector borrowing requirement of around £9.5m in the coming financial year implies a substantial reduction in public sector borrowing between calendar 1979 and 1980—on our figures from £11¼bn in 1979 to about £7bn in 1980."

"Additionally, an underlying deceleration in advances demand could be emerging by the second quarter of the year.

"Even though tax payments and high interest charges will keep bank lending relatively high during the first quarter, the money supply could actually fall during this period. In these circumstances, the pressures for a reduction in MLR would be overwhelming. The increase in sterling M3 is likely to be at the lower end of its 7 to 11 per cent current target range in 1980."

Councils face capital controls on leasing

BY ROBIN PAULEY

LEASING, which accounts for about £1bn of local authority capital expenditure a year is to be brought under the same controls as those applying to other means of raising capital.

The £1bn spent on leasing is only about a third of total local authority capital spending of £3.2bn in England and Wales in 1979-80. But it represents a substantial proportion of the total UK leasing market estimated to be worth between £2.5bn and £3.5bn.

Leasing brokers are anxious not to lose any of that business, particularly as there is oversupply in the leasing market and local authority contracts are without risk.

Leasing has not been subject to local authority borrowing controls and spending on contracts has not been defined as capital expenditure.

The Local Government Planning and Land (No 2) Bill, due to receive its second reading in the Commons on Tuesday, contains capital expenditure controls which will require the capital value of leased assets to be included in the capital expenditure account.

Local authorities will no longer be able to use leasing as a "revenue" means of funding capital items without them being charged to the capital account.

Leasing has enabled authorities to get dustcarts for example, with out the capital cost appearing in the accounts and hence without the capital cost appearing as capital expenditure.

"This puts lease finance into its correct position and it is right that it should be subject to the same controls as other available forms of finance," Mr. Graham Harrison, director of R. P. Martin Leasing and chairman of the UK Lease Brokers Association, said yesterday.

"I would not expect the change in controls to reduce business greatly because of the advantage of lease interest rates—currently between 6¾ and 8 per cent—over rates in the capital market.

"Leasing rates are likely to remain low and attractive to local authorities because of the current over-supply in the leasing market," Mr. Harrison said.

Mr. M. C. Beasley, Berkshire's county treasurer and secretary of the County Treasurers' Association, said he expected a fairly dramatic fall in leasing business taken on by local authorities.

Cannon chairman Du Cann resigns

BY CHRISTINE MOIR

MR. EDWARD DU CANN has resigned from the chairmanship of Cannon Assurance, the life assurance group he acquired in partnership with Keyser Ullman, the merchant bank in 1972.

The new chairman is to be Mr. Alfred Singer, former chairman of the Post Office Pension Fund and previously in charge of rebuilding the National Giro system.

Recently Mr. Singer was at the centre of the bid battle between Dalgety and Spillers.

He resigned as a non-executive director of Dalgety because he thought the bid too risky for Dalgety.

Mr. du Cann's stake in Cannon Assurance was surrounded by controversy for some years. In 1972 he acquired 15 per cent of the company, with Keyser Ullman (of which he was then a director) taking 57 per cent. But the £2.4m payment was held in suspense for many years and the legal difficulties were resolved only in 1978.

Within months Cannon was sold to the Cascade Group, a Canadian insurance group for £9.6m, giving Mr. du Cann a profit of £1m.

Now Mr. du Cann says that he wants to devote more time to his public and non-commercial duties.

Over the past eight years Cannon has grown from an insurance group assuring sums of £300m to one with sums assured of £864m. Assets have increased from £83m to £130m.

Mr. Singer, who will be a part-time chairman, said yesterday that he believed there were excellent opportunities for development of Cannon's business.

Micro-chip division for Plessey

By Guy de Jonquieres

PLESSEY HAS reorganised its micro-electronics activities into a single division to be headed by Dr. Melvyn Larkin, the former head of Motorola UK, who joined the company last year.

The move is intended to strengthen Plessey's presence in micro-electronics, particularly in the production of advanced semi-conductor components. Its micro-electronics sales last year were £22m, of which £10m came from sales abroad.

Plessey also announced yesterday that it was forming with Andersen Group of the U.S. a joint subsidiary called Signal Technology. The new company will conduct research, development and manufacturing of signal processing devices based on surface acoustic wave technology.

CBI caution on Soviet trading

By Our Industrial Editor

BRITISH INDUSTRY wants to continue trading normally with the Soviet Union until an international agreement on restrictions is reached after the invasion of Afghanistan, the Confederation of British Industry said yesterday.

In talks with Lord Carrington, Foreign Secretary, on international trade, Sir John Greenborough, CBI president, said that industry did not want to come under restrictions which would give advantages to Britain's overseas competitors. An international agreement was necessary.

Brewery survey

BREWERS' ability to increase beer prices will be limited by the increased competition from the "free" trade, according to a survey of brewing by the Jordans research company, which gives financial information on 110 companies in the industry.

Airlines for Gatwick

THE BRITISH Airports Authority is discussing with three or four airlines the possibility of moving their operations from Heathrow to Gatwick.

Mr. Norman Payne, the BAA's chairman, told the resumed Public Inquiry into Gatwick's expansion that the airlines tended to be smaller operators.

Clothing supply up

DELIVERIES of made-up clothing by the clothing industry in the three months to the end of October were 1 per cent higher on a seasonally adjusted basis than in the previous three months, according to the Department of Industry.

Net new orders received by the industry were 10 per cent higher.

Air talks transfer

THE Anglo-U.S. air talks, aimed at revising the Bermuda Two air agreement, were adjourned in London yesterday and will be resumed in Washington on February 27.

LABOUR NEWS

Rover men stop work to protest at BL plans

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

ABOUT 2,000 Rover workers demonstrated yesterday against BL Cars' campaign to persuade employees to accept a 5 per cent pay deal.

Sir Michael Edwardes, BL's chairman, has warned that rejection of the deal would mean the end of the company in its present form and cause "a further massive loss of jobs."

Mr. Joe Harris, convenor at Rover, Solihull, said workers from the Land-Rover and Range Rover production areas walked from their jobs to hold a protest meeting in the canteen.

"It was purely spontaneous and they voted overwhelmingly to reject the company's offer."

Mr. Harris said the company's campaign and warnings of shutdowns could be counter-productive. "On Monday, hardly a vehicle was produced at Solihull, while the company mounted its briefing sessions."

The 6,000 workers had been taken in groups of several hundreds to see film presentations of why the pay deal should be accepted. "They must have spent a fortune, let alone the lost production," Mr. Harris said.

He maintained that the company had retreated from a promise to offer the trade unions similar facilities. "We were told we could have a meeting on the sports field in our own time on Monday, but that would be too late."

Ballot papers were sent out yesterday to the homes of all BL Cars' 90,000 employees by the Electoral Reform Society.

Workers are being urged by the unions to reject the offer of a 5 per cent pay increase, plus the chance to earn an additional £15 a week under a self-financing incentive scheme.

The initiative for a ballot was taken by the unions, partly because of uncertainty about the current militancy of the work force. The pay deal was due last November, and many workers are pressing for the chance to achieve higher earnings.

The company is aware that pressures on votes taken at mass meetings, such as that at Rover yesterday, can be quite different from those within the home. But, Mr. Harris maintained that the warnings about employment were "wearing a bit thin."

Mr. Ray Horrocks, managing director of BL Cars, said yesterday that rejection of the pay offer could put half a million jobs at risk. A lengthy strike would delay the launch, scheduled for October, of the Mini Metro—the new car crucial to BL's future.

Ceiling of 12% for London dockers

BY GARETH GRIFFITHS, LABOUR STAFF

THE LONDON enclosed docks employers' association has said it cannot afford to meet any arbitration award over the dock unions' pay claim.

The Transport and General Workers' Union and the National Amalgamated Stevedores' and Dockers' Union have told the employers unofficially that they will not accept a 12 per cent offer. Pay talks will be resumed on Tuesday, but there is a big difference between the offer and union claims of between 30 and 40 per cent.

Under normal dock procedures, because negotiations are deadlocked, the issue would be referred to a joint arbitration panel drawn from the Port Labour Executive. The Port of London Authority, which dominates the employers' association and is also technically insolvent, has indicated strong concern over any such development. The PLA says the 12 per cent is the most it can afford, and that it cannot meet any arbitration figure above that ceiling.

The fact that arbitration now seems unlikely adds to the possibility of industrial action at the enclosed docks. A three-week strike notice was issued by the stevedores' and dockers' union on January 22. This expires on February 11.

Employers says the effect of a strike would be disastrous, particularly in the Royal, India and Millwall docks. It is not clear whether the TGWU would support the proposed strike, although its members have been taking part in a series of lightning unofficial stoppages.

Tilbury is unlikely to be as severely affected as the rest of the enclosed docks.

Traffic is expected to be diverted from the enclosed docks next week, according to the employers, because of the possibility of the strike.

A document issued by the PLA on Monday warned that unless there was a sharp improvement in working practices and implementation of planned manpower reductions it would transfer its operations from the India and Millwall docks.

Reports from the pay talks the following day suggest that the impact of the warning on the unions was less than the PLA had hoped.

Cash limits hit quality of education, says NUT

BY OUR LABOUR STAFF

The quality of education has been damaged by the introduction of cash limits control, Mr. Jim Murphy, president of the National Union of Teachers, said last night.

The NUT believed that proposals outlined in the Local Government Bill would damage education still further. The cash limits policy had meant that education budgets were underspent by £177m between 1977 and 1979. Local authorities had been afraid of exceeding limits set by central government.

Mr Murphy told a meeting of the NUT that the Government's proposals on local government would "subvert everything that local government has meant."

The teachers' dispute over staffing levels is to be intensified next week. In Avon, the NUT is to meet on Monday to decide whether to call out members in 15 more secondary schools. Thirty secondary schools in the area have already been hit by the stoppages, affecting about 8,000 pupils.

Further stoppages are planned in Coventry, Leicester, Nottingham, Trafford and possibly in Northamptonshire.

Mr. Mark Carlisle, Education Secretary, yesterday met two deputations from the NUT over the education spending cuts.

Pickets force Metal Box to halt trucks

BY OUR INDUSTRIAL STAFF

A CONFRONTATION at the gates of the Metal Box canning plant in Neath, South Wales, was averted yesterday when management turned back lorries due to leave with finished products.

The decision was taken after four articulated lorries had been held up for 2½ hours at the factory gates by a 150-strong picket line. The pickets had been increased after lorry movements out of the factory were resumed on the orders of the trade union works council.

On Monday, 1,000 workers will be laid off at the plant, which has received no supplies of tinplate since Christmas. Metal Box is also planning to lay off people in some of its 13 other factories, and 7,000 employees are being invited to take a week of their annual holiday before dismissals begin.

Unlike Metal Box, however, most major industries have sufficient steel in stock to continue production into March or even longer.

Ford said yesterday that its steel stocks would last at least for another month. However, if the strike hit private steel makers, component shortages could lead to changes in Ford's production schedules.

BL also has three or four weeks' stock of steel and further supplies by stockholders would prevent reductions in component or vehicle output. After this month, though, BL might have to alter production programmes and send home staff. British Steel supplies 80 per cent of BL's steel and all its pressed steel for bodywork.

The Confederation of British Industry said last night that only a minority of companies would be affected by shortages in February, and there was still no sign of "massive pressure" from its members calling for British Steel to settle with the unions.

THE WEEK IN THE MARKETS

Gorged at the tap

LONDON

ONLOOKER

The markets bave spent an indecisive week, markedly different from the excitement in both gilt-edged and equities in mid-January. Apart from a flurry of institutional demand on Tuesday, when the FT 30-Share Index went over 460 for a time, equity trading has been relatively dull. There has been a steady supply of shares to the market—last week through Midland Bank's sale of its stake in Sedgwick Forbes Bland Payne, this week a vendor placing of 30m Allied Breweries shares.

Gilt-edged hegan the week with a wretched bangover from the aale of tap stock the previous Thursday. But it gradually became clear that the indigestion was turning into fundamental weakness, with scattered selling meeting negligible demand. Investors are fighting sby of the market ahead of next week's banking figures, and no one seems to have much money anyway.

Scottish alliance

The deal between Allied Breweries and Vaux on Thursday suggests that Allied is extremly anxious to re-establish its position in the Scottish beer market. Through its Ind Coope subsidiary, Allled has paid Vaux approximately net asset value for a subsidiary which has failed to show much profit and which includes a brewery that Vaux was proposing to close.

The brewery will shnt in any case (the casb proceeds will enable Vaux to make supplementary "thank-you" paymenls to its staff) but the real attraction for Alliad is a portfolio of 214 pubs. This will give the group a significant entry into a tied market where it has fared poorly recently, partly owing to industrial disputes, and which haa traditionally been dominated by Bass Charrington and Scottish and Newcastle. The new outlets will also enable Allied to make far better use of capacity at its Alloa brewery. One of the surprising aspecls of the deal is the vendor placement. Vaux bas obtained a handsome price of £20.9m which Allied has satisfied through the issue of its shares — which have been underperforming the market consistently in recent months.

The shares were placed apparently with soma difficulty —by Cazenove at a price of 71 1/16p, compared with an opening price of 76p on Thursday. An additional sweetener was provided in tha shape of a one-half per cent commitment fee designad to compensate for the fact that the abares cannot be traded until the Office of Fair Trading makes np its mind on referral in abont three weeks time. If the OFT takes four weeks, an extra quarter per cent is payable.

The institutions understandably had jitters about accepting sbares which bave underperformed the market by 18.5 per cent over the past year and which cannot be dealt in the period leading up to a Budget.

That Allied was prepared to issue new paper when its stock is trading at such a low level —it was quoted at 84p a fortnight ago — la a significant reflection both of the level of its debt and of its desire to recover market share in the north.

Smoke rings

The compound annual growth rate of BAT Industries' dividend has outstripped that of the FT-Actuaries All-Share Index, and its dividend cover is also above average. Inflation adjusted earnings are around 2½ times the annual payout. And the yield is now around 10 per cent, compared with a market average of under 6½ per cent.

Despite all this, the shares bave been trailing behind the stock market averages for nearly two years now. And there is nothing in the figures for the 12 months to September — wbich were reported this week —to suggest that the market is about to change is mind about BAT'S status.

BAT bas to cope with three separate problems. Well over four fifths of its profits are made outside the UK, and when they are translated into sterling they can be smacked by currency movements. BAT was a stock market favourite during the sterling crisis of 1976 — but the standing of its shares has an inverse relationship to that of sterling.

At the same time, the group bas run into heavy going in three of its major tobacco markets. Its U.S. company has failed to make an impact in the rapidly growing low tar sector, and has been losing market share as a result. Its German business is also under pressure, and the results of its Brazilian subsidiary have been hit by the problams of the domestic economy — especially wben the figures are expressed in sterling.

Finally, BAT has yet to convince investors that its diversification. policy is going to pay dividends. Evidence of this is the apparent willingness of the City this week tn believe rumours that BAT was going to bid for Debenhams (last week, it was said to be House of Fraser). BAT never comments on such suggestions, which does not make them any less Indicrous.

In point of fact, it was the non-tobacco interests which enabled BAT to hold profits steady at £428m pre-tax in the 12 months to September. Its paper division is doing well, and there are welcome signs that the retail side may at last be doing better.

Unless sterling actually declines, BAT's profits are unlikely to move decisively higher in the near future. Yet it is not all gloom on the tobacco side — the Asian markets, in particular, are doing well — and the group retains a very strong balance sheet. For the long-term investor, the sbares should prove a sound bold.

Paper profits

Reed International was able to demonstrate that its bouse was in order this week. After overstretching itself a few years ago, the paper, packaging and publications group came through with a healthy 30 per cent rise in its third quarter profits before tax. The low gearing (less than 40 per cent) which the group bas now achieved was a significant factor in the pre-tax rise and interest charges dropped by nearly two thirds in the third quarter.

On the paper side, the sale of Dryden in Canada bas provided the group with a solid cash position. Meanwhile, the group's Canadian paper business is proving lucrative as volume remains strong, the Canadian dollar is weak and prices are at a higher level than last year. Reed may still go ahead with the sale of its Quebec City mill, but the rusb to tie-up a deal may bave slowed now that it is looking more like a seller's market.

The UK paper business is not as fortunate, and is currently in the red. In addition, various disposals of overseas interests bave lowered overseas sales in the third quarter. Bnt overseas earnings managed a small rise anyway.

The group's publications bave benefited from a buoyant pbase in advertising, a situation which could continne even if UK consumer spending falls. This is partly because of a surge in foreign - based advertising, spurred by the appealing exchange basis for lmports into the UK.

This year, Reed looks set to achieve between £105m and £110m. Global recessionary pressures suggest a decline in 1980-81. Yet the packaging business is bolding up, as are the publisbing and Canadian paper components of the group's nucleus.

Mr. Narby discards

Furness Withy and its majority owned subsidiary, Manchester Liners, have been the subject of more takeover rumours over the past decade than almost any other company on the stock market. The Furness Withy share price has been buoyed np for years on the hope that a predator was jnst about to pounce.

However, last week saw one of the main predators apparently chuck in the towel and returo to the sidelines. Eurocanadian Shipholdings agreed in principle to sell its 37.6 per cent stake in Manchester Liners to Canadlan National Railways and Mr. Frank Narby's family investment company reduced its stake in Furness Withy to under 10 per cent.

The history of the Furness Withy / Manchester Liners / Eurocanadian saga is a complex one, and still not completely over. Briefly, there are three main players. Eurocanadian is a Swiss based ahipping company established by two Canadians in 1968—Mr. Frank Narby and Mr. D. Webster, a member of one of Canado's wealthiest families. Furness Withy was (and in some waya still is) a rather sleepy UK shipping company which had an arms length stake in Mancheater Liners—the first British shipping company to spot the container revolution.

As Manchester Liners traded with Canada and in competition with Eurocanadian's own container company, Cast, Mr. Narby thought it would be a good idea to merge the two companies. Furness Withy objected, so Eurocanadian started building up a stake in Furness, much to the latter's annoyance.

Then along came the Monopoliea and Mergers Commission and ruled that any merger between Eurocanadlan and either Furness Withy or Manchester Liners was against the public interest. Eurocanadian was told to reduce its stake in Furness Withy to 10 per cent or less by the eod of 1979.

Mr. Narby came up with a scheme last year whereby be transferred the Furness shares to Eurocanadian's three shareholders. But this was not good enough for the Department of Trade. So it seems that Mr. Narby is bowing to the inevitable and disentangling bimself from Manchester Liners and Furness. Ironically, many of his criticisms of both Furness Withy and Manchester Liners are now being borne out.

Textile salient

For a company operaling in a cheerless sector, this week's full-year results from Allied Textile Companies made very pleasant reading. While many textile cnmpanies are looking somewhat fragile, ATC managed to improve margins and strengthen its balance sheet—no small achievement these days for a company with a major dependence on exports.

Apart from the unfavourable currency movements, ATC was hit by the loss of the important Iranian market. As a result, group sales slipped by 11 per cent but by cutting out less profitable orders margins improved by more than a point to 10.6 per cent. The figures were flattered slightly by the decision to take £300,000 costs of re-organisation and mill closures below the line, bnt the performance is impressive nevertheless.

On top of this, ATC's balance sheet must be the envy of many in these times of high interest rates. In the year just ended, the cash position actually improved despite spending £1m on new plant, repaying a £0.5m loan and funding a £1m increase in working capital.

ATC's strength is that its products—at the top end of the market—are largely unaffected by the vagaries of economic conditions around the world. This does not make it immune however, and ATC will find it a struggle to maintain profits for the second succesive year.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
F.T. Ind. Ord. Index	447.8	− 4.6	558.6	406.3	Irregular in thin trade
F.T. Gold Mines Index	333.4	+ 8.5	360.4	129.9	Rise in bullion price
Associated Dairies	168	−20	204	126	Worries about profit margins
Blue Circle	294	+16	356	220	Possible cement price increase
BP	358	+22	406	220½	Further oil price increases
Caffns	179	+36	184	99	Brit. Car Auction buys 7½% stake
Cons. Gold Fields	478	+26	485	178	Persistent bid speculation
Conzinc Riotinto	306	+21	318	170	Diamond hopes
Dowty	158	−18	182	126	Int. results due next Wednesday
Gas & Oil Acreage	340	−70	435	114	PFT TKG after recent strength
Henderson-Kenton	97	−17	150	80	Interim profits setback
Hill & Smith	52	+ 9	70	36	Annual results
I.D.C.	173	+41	177	126	Annual results & scrip issue
Malakoff	104	+32	104	61	Buoyant plantations
Mount Lyell	134	+14	142	30	Firm copper
Pratt (F.)	64	+12	75	48	Improved 2nd-half results
Serck	69†	+29	82	35	Rockwell acquire 29.7% stake
Stanley (A.G.)	78	+12	90	50	Berger Jensen increases stake
"W" Ribbons	30	+ 8½	53	21½	£1.2m sale of subsidiary
Wardle (Bernard)	33½	+ 8½	36	24	33p per share cash bid from BMCT

Erratic, but not quite mad

NEW YORK

STEWART FLEMING

A THIN line it is said divides the sane from the rest of us in thia world so it is always tempting to assume when you see erratic behaviour that the line has been overstepped.

In the past few weeks, and this week most strikingly, it has seemed that Wall Street itself bas been gripped by schizophrenia. But perbaps it is worth a closer look before diagnosing madness for sometimes markets articulate things which others are loath to put into words.

The symptoms of Wall Street's perhaps strange behaviour were apparent in two different markets. On one side of the street, metaphorically speaking, we bad the New York and American Stock Exchanges: on the other, often in practice sitting at an adjacent desk in the spacious dealing rooms of the Investment bankers, are the bond traders.

On Wednesday the New York and American Stock Exchange share indices hil record peaks. the New York Stock Exchange composite index rose — to 66.14 —it had been 61.95 at the beginning of the year and 53.62 just a year earlier.

The American Stock Exchange, which was just over 150 at the beginning of 1978, also bit a new peak of 276.37 on Wednesday.

Through much of last year as the AMEX index rose its significance tended to be dismissed, partly on the grounds that it was too beavily weighted by small, and particularly energy orientated stocks.

But the rise in these indices these year has been paralleled by the Dow-Jones Industrial Average, that broad, and often sluggish indicator which hit a peak for the year of 881 on Wednesday.

Moreover the DOW has been rising on close to record trading volume. Consistently 50m shares or more are changing hands. Analysts report thal a larger proportion of the activo investors are wielding the big bucks thal belong to pension funds and life assurance portfolios.

So much for lbe moment, for the equity markel, but we shall return. The bond market in contrast is a sorry sight. This month it has suffered its fall since lbe aftermath of Mr. Paul Volcker's attack on inflation launched on October 6.

Indeed yields on long-term bonds have risen lo an unprecedented peak. The Government securities market this week for the first time witnessed an 11 per cent yield on a long-dated Treasury bond; corporale bonds have been just as badly hil.

It is an old saying in stock markets around the world that only in the most exceptional circumstances can you bave a bear market, with prices slumping, in the fixed income sector and at the same time a raging hoom in equity prices. Normally rising bond prices tend to lead share prices higher and vice-versa. So the conflicting trends seem to demand explanation; after all both markets are looking at the same, grim economic outlook.

In his budget message the President himself predicled thal the U.S. would suffer not only a recession (albeit a mild one) thia year, hut also continued double-digit inflation; the first time Washington could remember so reckless a forecast in an election year.

One explanation being offered to reconcile the market's apparently coofiicting trends is that just as speculators in gold, silver, copper, and other commodities are buying assets to protect themselves against inflation so loo the conny investor has decided that corporate assets may prove to be a defence against inflation.

After all, until money became prohibitively expensive, a rash of corporate take-overs indicated that companies themselves were happy to buy assets at well above their stock market price.

That logic certainly seems to be at work, especially where it can be backed up by other favourable developments. Thus one of the most popular sectors continues to be oil shares.

High inflation may be bad for the country but as the fourth quarter earnings of the oil companies showed, they are not having too much difficulty living with it.

Similarly, the nation's more aggressive approach to relations with the Soviet Union, and the President's increased defence budget, which projects a 5 per cent rise in real terms over the next five years, have sent the defence stocks soaring.

But some observers are coming to the conclusion that perhaps deeper forces are al work loo. On this view the broader strength of equity prices at a time when rising costs and a slowing economy should put pressnre on corporate profits, reflects the view that that pressure will not be very severe, that the recession will be very mild indeed and may not even happen.

It is this prospect which reconciles the performance of the bond market with that of ordinary shares. Fnr a mild recession wilb inflation already running nver 13 per cent and projecled not to fall below 10 per cent this year and—who knows—to rise again in 1981 is grim news for bond Investors.

Are both markets therefore adjusting to the possibility that the U.S. is learning to live wilh a much higher rate of Inflation than bas hitherto been considered tolerable and that the economic policy makers are amongst those who intend to be tolerant?

Monday	878.50	+2.39
Tuesday	874.40	−4.10
Wednesday	881.91	+7.51
Thursday	875.85	−6.06

Bewildered and confused

MINING

PAUL CHEESERIGHT

ANYBODY looking at tha gold market for the first time over the last few days could be forgiven for being somewhat confnsed. So are the professional observers. Rises of $35 in the gold price have been matched by falls of the same amount: the market has lacked a clear trend.

It has been fluctuating below $700 an ounce, moved by scraps of political news, unable to break out towards the higher reaches touched briefly 10 days ago but equally reluctant to fall back lo the $500 level of the end of last year.

This bas been thoroughly bewildering for the share market, where jobbers have been marking prices up and down according to the latest shifts in bullion. The Gold Mines Index yesterday was 334.4, giving a net rise over the week of 9.5.

Analysts are divided in their views on where the bulliun market goes from here, but there are few who expect a slide to much under $600 an ounce, or an advance to much above $800. But, in all this uncertainty, there is general agreement that demand for gold remains strong.

But tbat is gold for investment purposes. Gold for jewellery, which has traditionally provided the base for the market, is another question. Over the next few months the relationship between jewellery and investment demand could become increasingly important.

It seems that jewellery demand started to slacken in the last quarter of 1979 and that when figures are finally collated they could sbow that gold for jewellery purposes took only about 800 tonnes of the total available on the market during 1979, or about 200 tonnes less than in 1978.

This year, the jewellery manufacturers seem to have been absent from the markel, frightened by prices in excess of $600 an ounce. If they should stay this meana that their portion of the offtake from the market will bave to be taken by investment demand, if the price is to stay bigh.

Investment demand is probably taking up the slack quite comfortably at the moment but if this demand should crack following, say, an easing of tension over Afghanistan or Iran while the jewellery manufacturers remained aloof from the market, the bullion price could decline aharply and quickly.

Still, at a price of above $450 an ounce, aod how lowly that seems by the standards of recent weeks, there is enough stimulus for the mining companies to intensify their searcb for new precious metals deposits. There is, for example, a minor gold rush going on in Western Australia.

Small companies like Warramboo Mining and West Coast Holdings are among those who bave taken options on properties where gold mining has long since stopped. It is rather like the diamood rush of last year, when small companies drew in investment funds based on bope rather than performance.

The strength of the Australian mining share market bas spread down from investment interest in the majors like MIM Holdings and Conzinc Riotinto of Australia to more speculative issues. But this is not to say that establisbed groups have left the gold field to the minnows of the industry.

Selection Trust of London is one major group involved. Seltrust Mining, its Australian unit, is earning 60 per cent of a joint venture with Otter Exploration by carrying out work al the Griffins Find. And lhe latest exploration results have shown that this has paid off to the extent that the group may have a potential small mine.

At the moment work on determining the ore reserves is being undertaken for inclusion in a feasibility study, and it looks as if there could be a development decision by the end of the year. A small gold mine—small, that is, by South African atandards — would be useful for a group of Selection Trust'a size. Capital investment would be relatively modest while a fairly quick cash flow could be expected.

The small companies, though, bave no doubt been encouraged by the way the gold price bas revived the fortunes of Gold Mines of Kalgoorlie, which has a 47 per cent stake in Kalgoorlie Lake View, which in turn holds 52 per cenl of Kalgoorlie Mining Associates, the operator of the Mounl Charlotte mine and the developer of the Fimiston leases.

GMK this week announced net profits for the balf year to January 8 of A$3.24m (£1.58m), compared with A$1.2m in the same period of 1978-79. It declared a dividend of five cents compared with a payment of three cents for the whole 1978-79 year.

But an expansion of gold output in Australia will be no threat to South Africa's overwhelming dominance among the producers, accounting for about three-quarters of newly mined western gold each year. South African prodnction, however, bas settled on a plateau.

Last year, production was 703.3 tonnes of gold, scarcely changed from the previous year. At a recent conference, Mr. Dennis Etheredge, the president of the South African Chamber of Mines, saw oo immediate change in output levels.

"It is projected that total South African gold production will remain relatively close to present levels until 1987 and then fall off gradually to about 350 tonnes at the turn of the century," he said.

Admittedly, the projections were baaed on prices which many would think unrealistically low under present circumstances. The higher of two sets of prices used in the calculations was jnst $450 an ounce for the present, rising to $554 in 1984 and then remaining constant in real terms until the year 2000.

The rise in prices over the past two years has meant that the South African mines have been exploiting lower grade ore, thus extending their lives. At the same time, however, they have been faced with higher costs and increasing capital demands—just like the rest of the mining industry.

Yet, over the past year, higher metal prices generally have more than compensated the companies for rising costs. This has become clear from quarterly figures and, in the past few days, has been emphasised by the string of annual results coming from North American companies.

Where, as in the case of Kennecott, the largest of the U.S. copper products, and Cominco, the Canadian Pacific Investments subsidiary, there have been precious metals io the product mix, there has been an additional honus.

Kennecott's net profits last year were $130.4m (£57.5m) compared with $5m in 1978, thus ending an unhappy three years when earnings were low and the group was prey to internal dissensions. Significant amounts of gold, silver and molybdenum come as by-products from the group's large scale open pit copper mining.

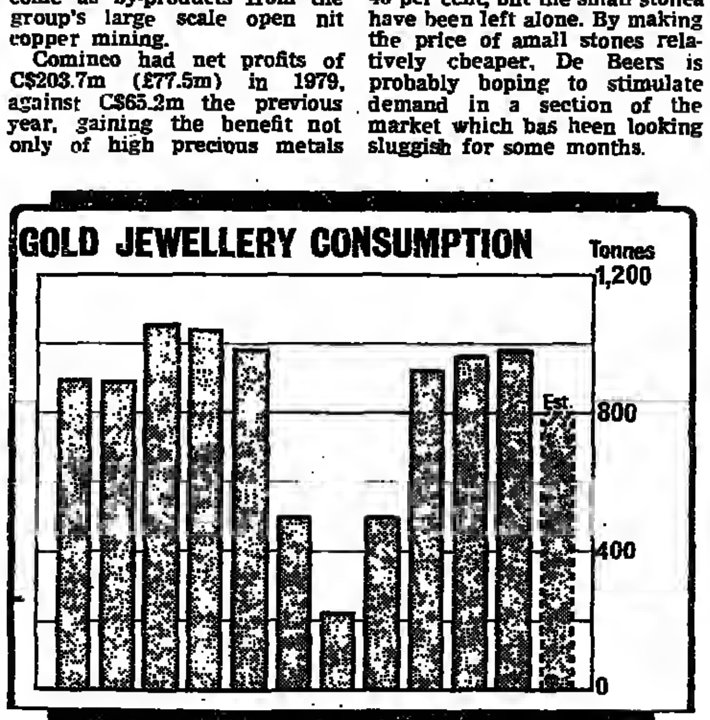
Cominco had net profits of C$203.7m (£77.5m) in 1979, against C$65.2m the previous year, gaining the benefit not only of high precious metals prices but also the strong market for lead and the greater stablity of zinc. The group needed the high earnings—it has embarked on a C$1bn expansion programme, involving new mines and the enlargement of existing facilities.

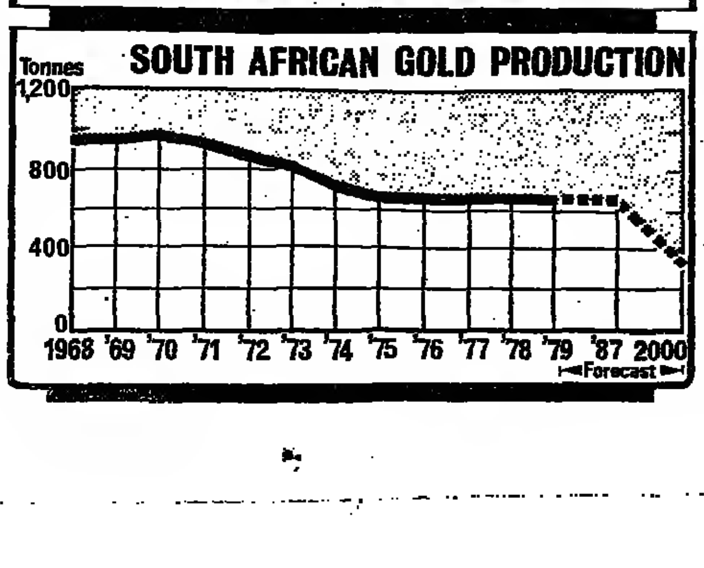
For St. Joe Minerals, the biggest of the U.S. lead producers, earnings from precious metals are in the future, once the El Indio copper-gold-silver mine in Chile comes to production next year. But, last year, net earnings were 55 per cent higher than in 1978 at $77.59m (£34.2m).

For these companies, 1980 has started pretty well. Metals demand bas beld up moderately well and stocks no longer overbang the market as they did up to a year ago. Although, as the presentation of the U.S. Budget made clear, a mild recession is expected, thia has heen ignored in the melal markets, where speculative huying has huilt up in the wake of the rush iolo gold and silver.

There bas also heen investmenl monay going into the larger gem diamonds. Secking to ensure that some of this money goes back to the mines, the De Beers Central Selling Organisation bas lifted prices for large stones.

For some stooes the rise in the price could be as much as 40 per cent, bnt the small stonea have been left alone. By making the price of amall stones relatively cbeaper, De Beers is probably boping to stimulate demand in a section of the market which bas heen looking sluggish for some months.





Martin Taylor reports on a High Street price-cutting campaign

Asda looks to the south

LET US NOT exaggerate the importance of the price-cutting campaign announced by Associated Dairies—the Asda superstore group—this week. After all, Asda's competitors bave been quick to claim that it is nothing more than a publicity stunt, and Mr. Noel Stockdale, Asda's chairman, prefers to call it a "promotion."

Publicity stunt it certainly is, to a large extent. Asda underspent its advertising budget by £800,000 last autumn because of the ITV strike, and it is itching to get its name better known, particularly in the south of England.

The Leeds-based company has found turnover harder to come by in the south than on its bome ground, and with new openings at Ealing and Swanley this summer ti needs to attract a lot of new customers.

Asda is generally recognised by the trade—and the City—as having the cheapest shopping basket of basic goods, but the consumer, especially in the south of England, does not seem to be aware of this. Asda can bardly fail to have noticed how much publicity Tesco, with its Operation Checkout scbeme in 1977, and Sainsbury with a more recent round of cuts obtained from being seen as the housewives' friend.

Its major competitors have claimed, publicly at least, that Asda's campaign is no more than a minor nuisance—"Mnch ado is being made about nothing," says Mr. Ralph Tempte, Tesco'a finance director. "We have regular fortnightly promotions that add up to considerably more than the £5m Asda is spending." But Tesco has been adjusting its prices in stores in the north that compete directly with Asda outlets.

A national round of price cutting seems unlikely to follow just yet—unless one of Asda's competitors begins to feel the pinch and reacts aggressively. What seems more likely is that it will prevent the trade from raising prices.

The major food retailers are in for a relatively difficult time this year, as their costs—wages, rates, transport—are going up faster than the rate of food price inflation. On top of this most of the big retail groups are pursuing aggressive expansion plans, which work out expensive when interest rates are at present levels.

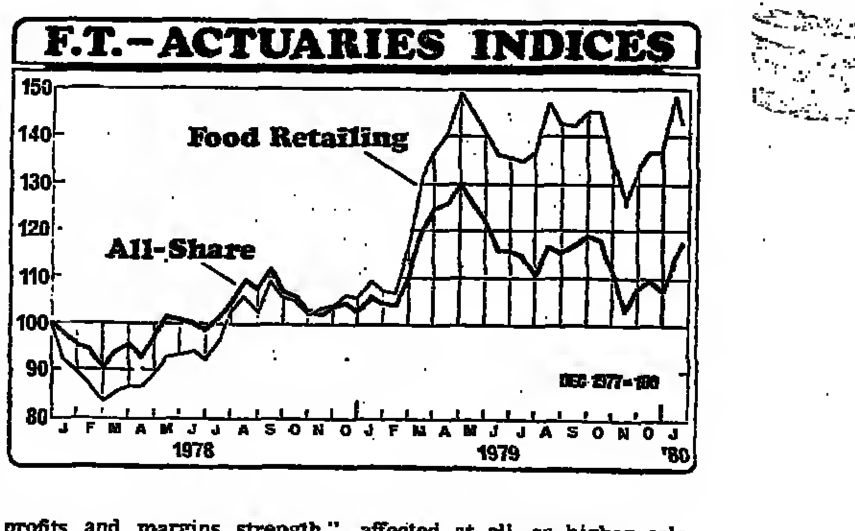
Their normal response would be to increase their mark-up on manufacturers' prices, which is now going to be rather hard.

Many City analysts had been relying on higher gross margins throughout the food retailing sector to keep profits up during tha recession, and Asda's aggressive action took the stock market by surprise. "I share in the puzzlement," said Mr. Tim Kirkwood of Messel's. "We're disappointed: we'd been expecting to see margins rise to counter the cost pressures."

So far, though, Asda's margins bave been bolding up well, which leaves it able to afford the cuts easily. "Asda is carrying out its promotion from obvious profits and margins strength," points out Mr. Tony MacNeary of Capel-Cure Myers. It bas pushed sales ahead in the fresh food and non-food departments, rather than in dry groceries, where competition is keener.

But in spite of its high margins, compnred with thnse of a competitor such as Tesco, its overall increase in sales volume has not been up to Tesco standards; this is perhaps the essential reason for its decision to cut prices. If Asda's promotion is as successful as it hopes, its net trading oargins will not be affected at all, as higher sales volume will allow it to claim bigger discounts from its suppliers.

That consideration has not protected Asda's own shares from the general gloom that has spread to the whole food retailing sector since the cuts were announced. From 188p at the beginning of the week they had slipped to 172p on Thursday evening, in spite of the publication on Wednesday of excellent figures for the first half of the company's financial year.



FINANCE AND THE FAMILY

A lease and a reversion

BY OUR LEGAL STAFF

I own a flat, part of a detached Victorian house. The freehold of the whole property belongs to my flat, whereas the ground floor flat has been let for 999 years leasehold. Apparently building societies are refusing to grant a mortgage to would-be purchasers of the flat because it is freehold. I believe it is something to do with possible difficulty they foresee in enforcing mutual covenants. What do you consider is the best solution to this problem? For example, can the status of my flat be altered by my granting a lease to it?

It would undoubtedly be possible to create a long lease of the flat. However you would need to consult a solicitor as to the best method of achieving this, since much depends on the existing provisions of the lease of the downstairs flat. You may wish to sell a long lease of the flat and then vest the reversion in a company of which the flat owners are the only shareholders.

Proprietary estoppel

When I moved into my house there was a wooden garage standing right on my boundary. It had no gutters, so half the water falling onto it discharged onto my neighbour's land, which is a little lower than mine. Six years ago, my neighbour put up a garage some six inches from mine and asked if he could put a gutter on mine which he did and led the water into a butt on his land. A few weeks ago, I demolished my garage, and with my neighbour's assistance erected another on exactly the same spot. Now he has suddenly turned awkward, complained that my gutter overlapped the strip of land between the garages, and threatens action unless I move the garage back. Can he make me do this?

We think that you can rely on the fact of the pre-existing situation and on your neighbour's having helped you re-erect the new garage and gutter to resist any claim which the neighbour might otherwise have been entitled to make. This is based on a doctrin of equity called proprietary estoppel.

Pay deducted in a dispute

Recently there was an industrial dispute and my colleagues and I had our pay deducted in respect of the two days we did not work. We had 2/22 of a month's salary deducted on the basis that there were 22 working days in the month concerned. We are paid monthly on the basis of an annual salary, so I contend the deduction should have been on the basis of 2/31. Do you agree?

If the salary is eonual, we think that your contention is probably correct, and is certainly worth pursuing.

The burden of repairs

My landlord is at present trying to arrange a fair rent with the Rent Officer. He has failed to make necessary repairs, despite my requests. Can he pass on the burden of this to me in a new tenancy?

The landlord cannot throw the burden of repairing on to you if your previous lease did not do so. You need not take up a new lease at all, but can rely on your statutory tenancy. You should consult the Local Authority's departments of health and housing to learn whether the landlord may be required to carry out repairs by means of notices served on him by the Local Authority.

Injury from golf balls

Golf balls from the neighbouring club occasionally land on the lane adjoining our house and also in our garden. What is our position if we suffer injury on our own land, or property damage, due to this? Should we write a letter saying we would claim damages? What is the position of the club in relation to possible injury in the lane?

There may be a liability in nuisance, or, possibly, in negligence; and this could also apply to anyone injured on the highway. In 1922 a golf club was held liable in nuisance for balls driven on to a highway; but in 1951 a cricket club was held not liable to a person injured on the highway by a cricket ball. We think that you should write as you suggest in order that you may be seen to have raised the matter before any actual injury or damage is caused and thus to have invited the club to take measures to prevent injury or damage.

Compensation for inconvenience

Two years ago we bought a top-floor flat in a luxury block, with two penthouse flats unsold above us. The developer has now obtained planning permission to enlarge and alter these penthouses, involving extensive building operations over our heads which will cause us much noise and inconvenience. The agents on behalf of the lessor have requested us to sign a slip giving sanction to these alterations in return for the sum of £7,500 to be placed to the maintenance account for the building. Do you consider the lessor/developer has the right to carry out this major demolition and reconstruction?

The lessor would not normally have the right to cause a nuisance by building works on adjoining property, unless this is reserved in the demise itself. You should consult your lease where the demised premises are described, with particular attention to exceptions and reservations. It may be that you will find it best to negotiate something along the lines which the landlord's surveyors suggest; but the compensation moneys might be better applied in direct payment to the lessees. You would be wise to consult a solicitor.

Controlled rent increase

The tenants of two cottages left to me by my father, are pensioners, as I am, and have been in them for upwards of 40 years. The rents are respectively 50p and 60p a week. My solicitor does not seem to know how to increase the rents, though, by building bathrooms, this may be effected he says. What can I do about it?

The tenancies to which you refer would appear to be controlled (as opposed to regulated) tenancies, and there are special provisions under the Rent Act 1977 which govern the rent limit under controlled tenancies, and these are complex and vary according to the circumstances of the tenancy (see Section 27 (2) and Part I of the 6th Schedule of the Rent Act). We cannot fully advise you without a comprehensive investigation of all the documents and circumstances. We suggest that you retain a solicitor who is conversant with the Rent Act if your present solicitor cannot help. If you do so your main concern should be to ensure that any available conversion from controlled to regulated tenancy (i.e. under the Housing Finance Act 1972) is effected.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A non-resident father

I understand that a father who is non-resident in the UK but draws an income therefrom, can make in favour of his (minor) son a covenant which is tax allowable, provided the son is resident in the UK. If this is the case, which, on the basis of a resident wife in the above case being treated as a "femme sole," I would further like to know: (a) On a world income basis of assessment can one choose which reliefs are to be treated first (that is, if one had UK income of £3,000 and mortgage interest of £2,500 and affect a covenant for a minor son of £1,000, would one be able to say the reliefs should be £2,000 and £1,000 so that the covenant would be tax beneficial or would the revenue seek to reduce the covenant for tax purposes to £500? (b) On a world income assessment is a man treated as sole if his wife is treated as resident and femme sole?

Yes, if a father executes an English (or Scots or Ulster) deed of covenant in favour of his unmarried minor son for a period exceeding six years, the payments (made under deduction of basic-rate tax) will be treated as the son's income in any tax year during which the father is not resident in the UK. The rule is to be found in subsection 5 of section 437 of the Income and Corporation Taxes Act 1970. The father will be entitled to retain the tax withheld from the covenanted payments, provided that his income liable to UK tax (including the tax credit on any UK dividends, assuming that he is a Commonwealth or Irish citizen) exceeds the gross amount of the payments.

The existence of the covenant would restrict the mortgage-interest relief in your example (so the overall tax benefit to father and son would be reduced).

If the boy's mother was resident in the UK but his father was not, she would be taxed as a femme sole, as you say, and the father would be taxed as though they were separated permanently. However, there is an automatic limitation to the joint tax bill of such geographically separated spouses, which ensures that they do not pay more tax overall than they would if they were to be treated as living together. This rule is to be found in subsection 2 of section 42 of the Taxes Act.

You will find general guidance in a free Inland Revenue booklet IR20 (Residents and nonresidents: liability to UK tax) which should be obtainable from your local tax inspector's office. The interaction of the rules you have in mind is complex, so our comments should not be regarded as more than a simplified outline.

Who's afraid of the adjustor?

INSURANCE

JOHN PHILIP

GIVING A lift to a near neighbour recently, I received an altogether unexpected — and surely undeserved — verbal clobbering.

His house had been burgled over Christmas and after completing a claim form, he had a telephone call from a firm of loss adjusters to fix an appointment to discuss the claim.

The appointment was for the next day, and my friend was breathing fire. This was his first claim in 20 odd years—didn't they trust him to make a fair claim? Was this adjuster going to try and beat him down. If so he wished he had doubled the amounts he first thought of.

Even when we had parked the car, and he had partly run out of steam, I forebore to point to the inconsistency of professing integrity and at the same time deliberately inflating a claim in the expectation of haggling over the amount of settlement.

Instead, I explained that it has long been widespread insurance practice to employ loss adjusters to settle burglary claims. There is nothing sinister obout it.

The visit of the adjuster merely indicated that the claim was either in respect of special property — pictures, silver, valuables—or for a fairly substantial sum. Nowadays insurers usually employ their own staff to deal with the average domestic crime loss claim of two or three hundred pounds or so.

Yes, my friend said, his wife's collection of snuff boxes had been taken—that was the main part of the loss.

Obviously, I said, insurers could not have readily available on their staff an expert on snuff boxes—but a professional firm of loss adjusters could well number among its partners and employees many experts in the antiques field.

So it was in the interests of all parties, policyholder and insurers, that settlement should be arranged fairly and reasonably by an expert, if one was available.

A couple of days later I had a phone call. It was my neighbour, now mollified. As I had expected, the discussion had gone smoothly and a number of helpful trade introductions had been provided to enable his wife to build up her collection again with the insurance money, the claim being paid in full.

But of course, there is no way that you can completely satisfy some people. My friend seized on this last point; not as vindication of his avowed integrity but as an example of the way insurers "waste money."

He argued that they could have saved the adjuster's fee, speculating that this was probably in the region of £50 to £75. I did not raise the temperature by commenting that it could have been more.

Insurers cannot pay all claims that they receive without some inquiry into some of them.

The smaller the claim, the more justification there is on economic, handling grounds, to pay, so to speak "on sight." But all insurers know that they are sitting ducks, not just for the few blatantly fraudulent, who can make a nice living out of insurance claims until the law catches up with them, but also for the many who, for one reason or another, however innocent or misguided, claim more than their contractual entitlement.

Insurers have a duty, as custodians of the funds subscribed by all their policyholders, to ensure that claimants are paid fairly and reasonably, but not in excess, to the detriment of non-claiming policyholders (whose turn may well come in future years).

Quite apart from this duty, there is the practical premium rating and claims ratio issue. The insurer making little or no inquiry into claims presented might well find himself running out of funds, might well have to try to raise rates, might then lose many of his policyholders, and in the extreme case could be forced to shut up shop.

Each company, each underwriting syndicate has its own claims handling policy. Some insurers make more inquiries than others, as a matter of principle. But principles have in detail to be implemented by individuals, be they insurance employees or loss adjusters, so claims handling is a very individual business.

So it does not follow that two neighbours with basically similar claims will be subjected to the same degree of inquiry — unless they happen to be handled by the same individual. Even then there may be differences which provoke more detailed investigation in one case.

Be this as it may, all claiming policyholders must remember that insurance staffs and loss adjusters have a job to do — to ensure a settlement that is fair and reasonable to the claimant, to insurers and the rest of their policyholders.

The £100 computer has arrived. **Guy de Jonquieres** looks at the prospects for families

Sinclair with chips

NOW THAT digital watches, wafer-thin pocket calculators and game-playing television are within reach of most family budgets, the era of the really inexpensive personal computer could not be far away.

This week it arrived in the remarkably compact shape of the Sinclair ZX-80, soon to go on sale at £99.95, including VAT.

The ZX-80 is the latest brainchild of Clive Sinclair, the apparently irrepressible 39-year-old British entrepreneur who has come up with a succession of consumer electronics "firsts" during the past decade. Never a man given to excessive modesty, he claims that the machine has "a commanding world lead" in the race to bring computers into every home.

Certainly, the ZX-80 bristles with original features. Its price is roughly a quarter of that of the cheapest versions of existing home computers like the Commodore PET, the Apple and Tandy's TRS-80, all of which are made in the U.S. "We could have charged more," Sinclair says, "but we thought it was psychologically important to break the £100 barrier."

Unlike its bulkier rivals, the machine is extremely portable. Measuring about the same size as a hard-bound novel and weighing a mere 12 ounces, it can be slipped easily into a briefcase.

Instead of using a special video display unit, it can be plugged into a standard black-and-white television set. An ordinary cassette recorder is used to store programmes.

Sinclair also claims to have achieved breakthroughs in circuit design, which have reduced the number of parts needed by a factor of 10. The ZX-80's main memory has only a quarter the capacity of more conventional machines, yet there is said to be no sacrifice in operating speed. Extra memory can be added through inexpensive clip-in boards.

The ZX-80 will be aimed initially at business executives, but is said to be simple enough to be operated by a child. To demonstrate the point this week, Sinclair challenged it to play a matchstick game using a programme devised by a 13-year-old. After a few false starts, which caused the display on the television screen to flicker nervously, the machine won.

Nonetheless, the absolute beginner will have to work at the machine to get the most out of it. Those who believe that they can use it to figure out their tax bill or calculate their mortgage payments simply by feeding in a few figures and pressing a button will be disappointed.

Sinclair is not yet supplying software, or ready-made programme. Until these become available, purchasers must be prepared to write their own, assisted by a sospplly-written instruction manual.

For this reason, the machine is expected to appeal mainly to enthusiastic amateurs or to those eager to understand the basic principles of computing. It is hoped that it will find a ready market as an educational tool both in schools and among adults who feel the need to come to terms with the micro-electronic revolution.

Sinclair has signed up an unnamed West Country company to manufacture the ZX-80. He is cagey about divulging planned production figures but says they are "very large." The machine will go on sale in Britain next month through national mail order houses and will be launched soon afterwards in the U.S. which, it is hoped, will produce the biggest sales.

Sinclair is also talking to manufacturers in Hong Kong, with a view to sub-contracting some future production there.

Impressive as it seems, the launch of the ZX-80 has been greeted with caution, not to say sceptimism, by much of the electronics industry. No-one doubts Sinclair's brilliant talents as an innovator. But his record suggests that they have not always been matched by the management ability needed to ensure sustained commercial success.

He hit the headlines in 1972, when he introduced the world's first genuine pocket calculator. A simple four-function device, it sold then for only £20 less than the ZX-80—a striking example of how sharply micro-electronic costs have fallen.

All went well for about three years until Japanese manufacturers began competing with much lower-priced products. Sinclair responded by trimming calculator output and branching out into new areas, notably an advanced digital watch called the Black Watch, inexpensive digital measuring instruments and most recently a pocket television.

This Black Watch project almost sank him. After an expensive launch, sales fell far short of expectations. Sinclair blames difficulties in obtaining "chips."

But early versions of the watch also malfunctioned. By the time the bugs had been ironed out, the market had been flooded by cheaper rival products.

After fruitless efforts to obtain financing from the City, Sinclair turned to the National Enterprise Board. It agreed in 1976 to buy 75 per cent of the shares in his company, Sinclair Radionics, for £650,000 and to put up £2m in loans. Since then, its total investment has risen to about £8m.

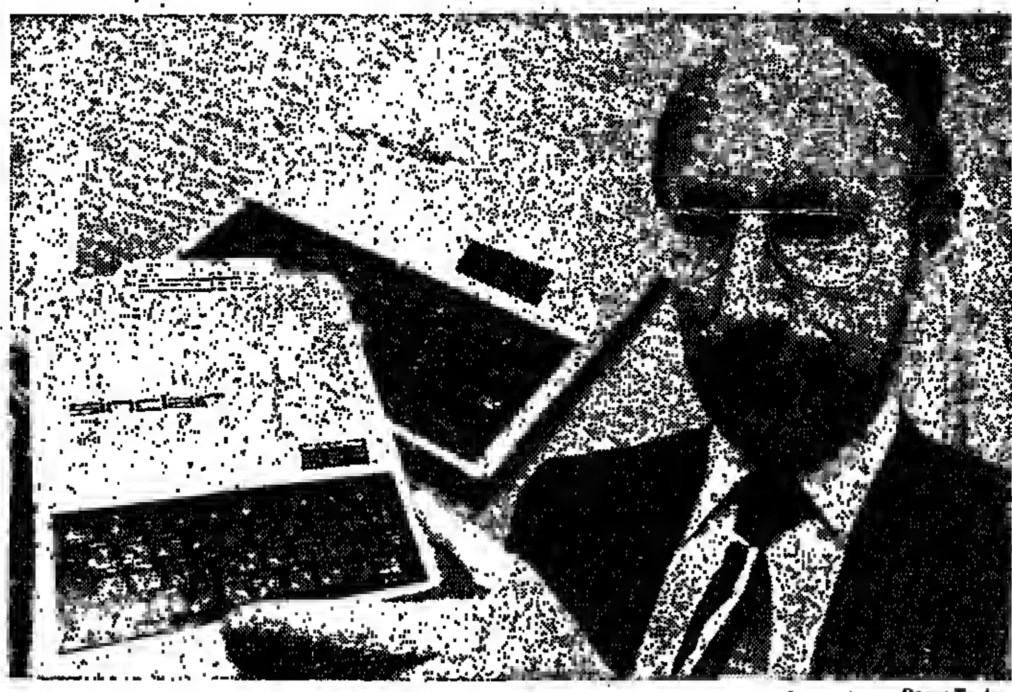
But Sinclair's own association with his new backers proved brief. Arguing that the NEB had lost interest in consumer electronics, he resigned from the company in September last year and formed Sinclair Research.

Meanwhile, the NEB has sold the "Microvision" pocket TV operation and Sinclair calculator stocks to Binatone, the hi-fi manufacturing company.

As well as the ZX-80, Sinclair Research is working on a project to manufacture flat television screens, designed to replace conventional cathode ray tubes, and an electric motor with a wide power band. It also plans to market a new and cheaper version of the Microvision later this year.

Potentially, the television screen project offers huge prospects for commercial success which could repay the investment made in Sinclair so far by the NEB, which holds rights on it jointly with the National Research and Development Council.

Clive Sinclair says he is designing automated machinery to manufacture it, and production could begin in about two years. By then, it should be clear whether the ZX-80 can provide the basis for the sustained commercial impetus which has eluded him in the past.



Roger Taylor

When an option mortgage makes sense

HOME LOANS

TIM DICKSON

ARE OPTION mortgages a good bet? The answer to this question depends primarily on how much income tax you pay, but according to some observers an increasing number of self-employed house buyers have been attracted by the idea for other reasons.

This certainly makes sense. For the option mortgage scheme, although designed to help lower paid borrowers receive roughly the same assistance as those paying the basic rate tax, also removes a number of administrative anxieties.

Buying a house, as investment advisers keep repeating, is one of the best investments anybody can make. This is partly because you can pay for the asset with cheap money. The Government allows those who burrow the cash to claim tax relief at their top marginal rate of income tax on any interest paid to a bank or building society. No relief is available on capital repayments.

A drawback arises, however, when borrowers are paying either no tax or so little tax that it does not cover the interest element of their loan. This is where the Government Option Mortgage Scheme comes into play.

The option scheme effectively provides a cash subsidy, which is paid directly to the approved lending institution and thereby reduces the amount of interest paid by the borrower.

The subsidy scale is roughly equivalent to tax relief at the basic rate of income tax, although an option borrower pays slightly more over the term of the loan than someone claiming tax relief at the basic rate.

In most cases therefore it is not advisable to opt for the option unless you are paying less than basic rate tax.

Another vitally important point to remember is future income. At the moment option mortgages have to run for at least four years before you can change. If therefore your fortunes suddenly improve, your salary shoots up and you start paying income tax at say 40 per cent, you may lose out by being locked into the option scheme.

The Housing Bill currently before Parliament however, contains provisions for enabling switching after a year.

A further significant feature of the option mortgage is that the actual repayments remain constant during the term of the loan. Borrowers with conventional mortgages able to claim tax relief pay less at the beginning (because they are paying more interest and therefore get more relief) and more at the end (the repayments at this stage mainly comprise capital).

Option mortgage repayments obviously do fluctuate with changes in the building society mortgage rate generally.

What about the self employed? Take somebody for example, who is setting up his own business. In the first three or four years such an individual is probably not taking much income out of the enterprise and could in these circumstances benefit from the option scheme.

The only problem is that borrowers can switch from an ordinary mortgage to the option scheme only if hardship is involved. In other words, the budding entrepreneur will need to buy his house at roughly the same time as he is setting up his business—perhaps not a very good idea.

The Inland Revenue admits that adjustments to individual tax codings as a result of the January 1 mortgage increase will not filter through to taxpayers until the middle of the summer.

Apart from the loss of the cash flow, this probably doesn't much matter to anyone on PAYE because somebody else does the donkey work. For the self employed businessman, on the other hand, it is just another administrative chore.

There is another more cynical interpretation of the popularity of option schemes among the self employed. This is simply that option mortgages keep the borrowers have to keep their the taxman.

There are therefore some significant advantages in the option scheme. If you are likely to pay more than the basic rate of tax, they do not offset the gains of claiming higher tax relief. On the other hand, the Housing Bill's provisions (assuming they become law) could well encourage greater interest in the option alternative.

YOUR SAVINGS AND INVESTMENTS

Insurance and fair trading **Eric Short** reports

Not so sweet surrender


Mr. Gordon Borrie

LOW surrender values paid by life companies have always surprised and annoyed policybolders cashing-in their life policies early. These investors, who in many cases were dazzled by the high returns at a maturity in the far distant future, all too often find that they lose money if they surrender early.

This weak, Mr. Gordon Borrie, the consumers' official watchdog as Director General of Fair Trading, returned to this subject when he told some home truths to the whole insurance industry. Pinpointing the low level of surrender valnes as a prime source of complaints to his office, Mr. Borrie strongly criticised companies for not giving potential policybolders a full picture of their position.

With cooventional life business, the levels of surrender value are detarmined hy the life company's actuary. Essentially, be has to decide the fair worth of a contract at the tima of surrender, bearing in mind the expenses incurred, the investment conditions and the rights of the policyholders who remain as well as those who surrender.

First, the actuary has to ensure that all expenses have been covered. The bulk of these occur at the time of selling the policy—the front end loading, with commission payments to intermediaries being an important Item. These are always recouped over the term of a contract, so when someone surrenders early the portion of unpaid expenses bas to be taken into account. For this reason, most life companies do not pay a surrender value within two years, the value of the policy being eaten up by expenses.

Another point to consider Is that at the time of surrender, the policyholder leaving is selling his sbare of the assets to policyhotders remaining. With linked husiness, the transfer is at market values—the basis of the unit price. But with traditional business, the actuary effectively determines the value of transfer.

Some actuaries take the view that the policyholder leaviog is in the position of an investor forced to sell and the transfer value is therefore that mucb lower. Other ectuaries take a less harsb view, but the balance struck is bound to vary between different companies.

The accompanying table shows how two different actuaries can take contrasting views on surrenders and its subsequent effect on policybolders. Equitable Life and London Life have a high reputation for with-profit performance if the investor goes the full term.

Neither company pays commission to agents or intermediaries. Yet Equitable Life is a hawk when it comes to surrenders, while London Life is e dove.

Mr. Borrie in particular referred to the low level of surrender values in the early years, tarring all life companies with the same brush. It is certainly true of the companies like Equitabla Life which take this line.

It is, bowever, not true of London Life, where after the first two years, the investor does not lose money on surrender.

Policybolders can demand to know why all life companies cannot take the stance of London Life. Mr. Barry Sherlock, general manager and actuary of Equitable Life says the company's reputation rests on its fine record for maturity results on with-profit policies, not on Its surrender terms.

These, he argues, are of interest ouly to a small minority of policybolders. Moreover, Mr. Sherlock feels that high surrender terms Inevitably lead to more surrenders and force a shorter investment pattern on the life fund. This is to the detriment of those policyholders who maintain their contracts for the whole duration.

This is the line taken in the past by most life companies. The contract, they argue, is for a given period selected at the outset by the investor who should not expect favourable terms If he cashes in early.

COMPARISON OF SURRENDER VALUES ON A 25-YEAR WITH-PROFITS POLICY TAKEN OUT BY A MAN AGED 34 PAYING £20 PER MONTH GROSS

Date of cash-in	Total premiums paid gross	net (a)	Equitable Life Basic sum assured £5,658 Cash-in value	% net prem.	London Life Basic sum assured £5,627 Cash-In value	% net prem.
years	£	£	£		£	
2	480	396	181	46	396(a)	100
5	1,200	990	854	86	1,233	124
10	2,400	1,980	2,523	127	3,208	162
15	3,600	2,970	4,894	165	6,279	211
20	4,800	3,960	8,708	220	11,002	278
25(h)	6,000	4,950	17,203(b)	347	18,169(h)	367

assuming current bonus rates, unchanged surrender basis and present rates of tax relief.
(a) net of tax clawback; (b) estimated maturity value.

Hitch-hiker's guide to the equity

A LEAGUE table of international investment opportunities was the central feature of an international seminar this week, hosted hy City stockbrokers James Capel.

Capel invited a number of fund managers wbose borizons bave been dramatically extended by the freeing of excbange controls.

Numerous Capel experts talked extensively about their countries and continents, and the seminar concluded with the presentation of the league tahle.

Capel readily admits that some scores bave been determined in part by the idiosyncracies of individual analysts.

The table comprises 11 foreign countries, each of which is marked out of five on four separte counts, producing a maximum score of 20. The four criteria are: currency/interest rate prospects; growth prospects; political stability; resources.

Top of the list is Japan, which acored 16 In spite of a miserahle mark of one on resources. All other categories receive full marks, however, and the decisive factor was the return on yen bonds which Capel estimated could be around 26 per cent to the UK investor.

One point behind is Malaysia, which fell down slightly on political stability, but received a star rating on resources.

Four countries share third place, each for different reasons. West Germany was consldered to have solid prospects In terms of growtb and currency, and bad the advantage of being readily predictable at least on bond yielda which closely follow the steady inflation rate.

The U.S. should be treated selectively, according to Capel, but offers rich returns in isolated sectors including data processing and forest products. Australia and South Africa moved up the table by virtue of their enormous resource hase, though South Africa —not surprisingly—fared worst of all on the political stability yardstick.

James Capel was basing its table on prospects for 1980 but stressed that certain criteria, notably political stability, could not be viewed on a short-term basis. An alternative view was provided by another leading city stockbrokers, Hoare Govett.

It based marks on the prospects for 1980 but empbasised that the figures would give a slightly distorted view since, for example, political stability In most western countries plays a smaller rola than currency movements, which bave historically proved the major determinant of success or failure in foreign markets.

It is apparent that Govett is much more bullish about the UK than Capel, and Australia bas usurped first position from Japan in its estimation. The exercise mey be unsophisticated but it provides some guide for foreign eqnity bitch-bikers.

THE INTERNATIONAL LEAGUE TABLE

	Currency Interest rates		Growth		Political stability		Resources		Total	
Japan	5	3	5	4	5	5	1	1	16	13
Malaysia	4	4	4	5	2	2	5	5	15	16
S. Africa	4	5	4	5	1	2	4	4	13	16
Australia	3	4	2	5	3	4	5	5	13	18
U.S.A.	2	2	3	2	5	5	3	4	13	13
W. Germany	3	3	3	3	5	5	2	2	13	13
France	3	3	3	3	3½	4	3	2	12½	12
Hong Kong	2	4	4	4	3	4	3	1	12	13
Switzerland	3	2	2	3	5	5	2	1	12	11
U.K.	4	5	1	2	4	5	3	3	12	15
Canada	2	3	2	3	3	4	4	5	11	15
Netherlands	2	3	1	2	4	5	2	2	9	12

Left column represents James Capel; right column Hoare Govett.

John Makinson

Keeping an eye on invisible gold

THE EXPLOSION in the gold price bas given rise to a good deal of soul-searching among bullion investors abont tbe pros and cons of keeping their boards under the bed as opposed to in a bank vault.

The stakes have become a lot higher for bullion thieves — a message driven bome particularly brutally to the company which lost £1m of silver in a robbery last week-end—and the costs of storage and insurance bave risen commensurately.

Time, perhaps, for the gold enthnsiast to turn to ways of holding "invisible gold," one of the best of which is to open a "metal account" with a hank or bullion hroker.

Metal account holders have two broad options—whether to own their gold on an "allocated" or "unallocated" basis. Under the allocated system, investors have a direct claim on a specific volume of gold held in their name at the bank or broker in question.

Unallocated holders simply own a paper claim on the general pool of gold in the possession of the dealer. In both cases, the investor is able to buy and sell in order to vary constantly the number of ounces of gold credited to him without the need to arrange for physical debvery.

The difference is that, in the allocated cases, the gold is earmarked in the vaults ready for immediate delivery if the customer should so desire; whereas if all the unallocated bolders should call for their gold at once, some would be disappointed—there would just not be enough to go round.

There is no need to panic. Dealers in unallocated metal operate in much the same way as henks which, not expecting all account holders to withdraw cash on the same afternoon, keep only a certain proportion of their assets in liqnid form. The gold owned by unallocated bolders certainly exists—only it might be lent out to other participants in the market, or simply stored in Zurich or New York rather than London.

Both becanse of the greater security and because keeping allocated gold is more costly for the hank or broker, the flat fees charged to allocated Investors are somewbat higher. Of course, the difference in charges has been hardly a significant factor given the wild price swings seen lately—and the prudent investor bas no doubt elected for maximum security.

According to Swiss banks, Zurich bas been the preferred place of storage for gold account bolders in the Middle East who fear palace coups at home. Some dealers this week reported that investors really hit by war scares are increasingly favouring Canada—well off the beaten track for Russian tanks—as a safe house but perhaps this has changed after the Tehran embassy smnggling drama dnring the week.

For Britons wealthy or frightened enough to be dabbling in gold, VAT at 15 per cent on all bar purchases (including bars in unallocated form) is a hig drawhack for dealing through London.

Investors would be wise to use external accounts to channel purchases through Zurich (where unallocated gold is free of the newly introduced 5.6 per cent purchase tax) or Luxemhourg (no tax at all).

They might also consider huying the gold certificates sold by Citibank in New York (and through its correspdent banks througbout the rest of the U.S. but not in London).

David Marsh

How to exploit the 19th issue

SAVINGS
TIM DICKSON

SAVERS should now be eagerly looking forward to next week's launch of the new 19th issue National Savings certificates. A 10.33 tax free compound return over five years is particularly appealing to high rate taxpayers —for someone on 60 per cent it is equivalent to a gross yield of 25.8 per cent—while those on the basic rate will also be tempted by the new issue's undoubtad attractions.

It is important to remember, however, tbat you must hold the certificates for a full five years to receive the maximum benefit. Not everyone, of course, is prepared or able to make this sacrifice and there are ways of exploiting the 19tb Issue without getting locked in.

It is, for instance, possible to cash in your boldings at any time though the longer you wait tbe higher the yield. The following table gives the cash In value and yield at the end of each year of a £10 unit.

Years after purchase	Value at end of of year (£)	Yield for Year (tax free) %
1	10.50	5
2	11.40	8.57
3	12.45	9.21
4	14.10	13.25
5	16.35	15.96

Units build up in value through the addition of increments at the end of the first year and at the end of each subsequent period of four months.

The value during the first year, however, remains unchanged so you have to wait at least 12 months to get any return. Obviously investors shonld try not to touch their units if at all possible but the first table sbows that high rate taxpayers may still take the plunge even if they plan to cash in early.

What about investors whose prime need is a regular income? The 19th issue ia admittedly designed mainly for those who want to see their capital grow but the Department of National Savings has nevertheless drawn np a few alternative strategies. By cashing in just a few units each year, for example, you can give yourself a perfectly decent annual income for five years and still recover your original outlay at the end of the term. This is one possible scheme for those planning to Invest the maximum £1,500 (in £10 units).

19TH ISSUE—ANNUAL INCOME PLAN

At end of Year	No. of £10 units encashed	Repayment of principal and income (£)	Annual Yield (Tax free)
1	12	126	8.4
2	12	136.8	9.12
3	12	149.4	9.96
4	11	155.1	10.34
5	11	179.85	11.99

During the five years a total of 58 units is casbed in, leaving e balance of 92 units each worth £16.35 or £1,504.20. The average yield over the five years is just under 10 per cent but remember that this la not compounded.

The DNS has worked out another scheme, wbich involves the same principles, but which exhausts your capital by the end of the five year period. The returns are as follows:

At end of year	No. of £10 units encashed	Repayment of principal and income (£)
1	34	357
2	32	364.80
3	31	385.95
4	28	394.80
5	25	408.75
		1,911.30

In this way the Investor has recelved £1,911.30 by the end of five years. This compares with the £2,452 which the investor would receive on maturity if he left the same £1,500 Intact over the period.

Another decision faces anyone who already holds previous National Savings certificates. Should you cash in and reinvest in the new issue?

It is difficult to offer firm guidance since the answer is likely to depend on when the earlier issue was bought.

Take the 18th issue, for example. It first came on sale almost exactly a year ago and therefore those who bought it on the early days should wait to get the first annual increment which is 5 per cent. On the other hand, if you took out the 18th issue more recently you could be better advised to cash In straight away.

The 16th issue, which went on sale in December 1976 hut was removed less than four months later, is now entering a period of relatively high returns.

Finally, a warning. The 19th issue was announced last November shortly after MLR was hoisted to its prosent record 17 per cent.

Even at these levels of interest rates the 19th issue looks remarkably generous and if rates start to fall (as they could do after the Budget) the new issue could be quickly withdrawn.

The men at the DNS refer threateningly to the fact that the 18th issue has only been "suspended" and could therefore be quickly reintroduced.

While this is a good sales gimmick (hurry while stocks last!) it is probably more important to make sure you don't miss the boat than to squeeze the last drop out of other rates.

Do not, for example, listen to those who tell basic rate taxpayers to keep their money in a building society for a couple of months to get the benefit of the current 10.5 per cent return, on urdinary shares.

Assuming you look at the 19th issue on a five year view (i.e. returning 10.33 per cent compound) this advice is worth roughly 42½p on a £1,500 investment—hardly the price of a pint of bitter in most London puhs.

A sigh of relief . . . but wait for the Budget

INSURANCE
ERIC SHORT


Mr. Leonard Hall
LOA chairman

INVESTORS SAVINGS through a life assurance plan—either traditional with-profits or unit-linked, can relax for the moment. Mr. Peter Rees, the Minister of State at the Treasury bas told the Life Offices Association that the Government has no plans at present to end tax relief on life assurance premlums.

Last summer it became clear that the Government was looking at the position of this rellef as part of an overall study of the country's tax structure. In response the LOA, in conjunction with the other life associations wrote to the Treasury in the autumn setting out its case for the continuation of this relief—which has been available without interruption since Gladstone's Budget of 1653.

The LOA emphasised the role thet life insurance plays hoth in protecting families against death and encouraging saving. The letter from Mr. Rees pointed out that the Government accepted this role. At the same time, however, Mr. Rees warned that be could not anticipate the outcome of the Government's tax studies.

Nothing therefore has yet been said about whether the rate of relief will be cut in this coming or in some future Budgat. Under the old system, tax relief rates automatically changed with the variation in basic tax rate. Now the rate is considered separately in the Finance Act. So far this has proved favourable for investors. They get relief at 17½ per rent, whereas under the old system it would bave been 15 per rent.

Some sections of the life insurance industry cannot envisage the present rate being cut, even though the Government, which is anxious to cut public spending, paid out £400m on life insurance tax relief, according to latest estimates.

Keeping the doctor away

LIFE COVER
ERIC SHORT

NEW terms for elderly people looking for life insurance without undergoing a medical have been announced by Lloyd's Life. But for anyone in good health the price Is still not cheap.

Lloyd's Life started a new cbapter in UK life insurance in 1976 when it launched its Seniorplan contract. For the first time ever, individnals could get life cover automatically without providing medical evidence or taking a medical examination.

The scheme is available only to people aged 50 or more. It is a whole life non-profit scheme, with the sum assured paid on death ouly. To avoid "deathbed" applications Lloyd's Life has limited tbe cover in the first two years to a return of premiums with interest at 10 per cent.

Now Lloyd's Life is writing the second page of this new chapter by making its first revisions to the plan presumably in the ligbt of its experience so far. It is lifting the maximum entry aga from 72 to 79 and increasing the cover limits for the older ages. For men aged 66 or more and for women aged 66 or more the new limit is doubled.

On the other hand, for the younger individual, up to age 55 for men and 57 for women, the deferred perlod befora full cover applies has been increased to three years. For these investors all their estate will get In the event of death in the first three years is a return of premiums wlth interest.

Mr. John Woolhonse, actuary at Lloyd's Life, is keeping his cards close to his chest and saying nothing about why these changes bave been made. It would appear, however, that two different types of investor are using this scheme.

The company, on the ona hand, is fulfilling a genuine need for the older investor who wants a comparatively low level of cover — to provide cash perbaps for funeral and other expenses that occur on death. Most life assurance marketing organisations do not seem geared to meet this kind of demand. Equitable Life, for example, as the table shows, does not even have a standard rate for these ages. Lloyda Life, meanwhile, is probably getting a spread of business for these ages which has not resulted in heavy claims. It can therefore be more adventurous in filling this market gap.

On the other hand, the reverse appears to be the case at the younger ages, a market well covered by salesmen. Lloyds Lifa appears to be getting those investors whosa health is such that they are uninsurable with other companies. Here the actuary has had to protect the company against a high level of claims.

For elderly investors who are in good health, the price paid to avoid a medical is very high as the table again illustrates.

For women the benefits provided by Equitable are double for the aame premium, but except for the young ages, a medical examination is automatic for both men and women.

Age	Max. gross Monthly Premium	Men Lloyd's	Men Equitable	Women Lloyd's	Women Equitable
	£	£	£	£	£
50	12.75	3,830	6,563(a)	4,280	8,131(a)
55	12.75	2,885	5,014(a)	3,235	6,218(a)
60	12.75	2,145	3,812	2,415	4,748(a)
65	17.65	2,205	3,998	2,499	5,049
70	25.00	2,250	4,081	2,590	5,338
75	25.00	1,510	b	1,780	3,816
79	25.00	1,090	b	1,280	b

a=No automatic medical. b=Special quotation.

PROPERTY

BRIDGE

E. P. C. COTTER

IN MY first example today, which occurred in a duplicate pairs event, poor technique cost the declarer his game contract:

N
♠ 8 6 4 3
♡ A 9 8 4
◇ Q 9 2
♣ K 10

W
♠ K J 9 7
♡ Q J 3 2
◇ A 5 4
♣ J 5

E
♠ 10 2
♡ 10 6
◇ J 8 7 6 3
♣ Q 8 7 2

S
♠ A Q 5
♡ K 7 5
◇ K 10
♣ A 9 6 4 3

With both sides vulnerable South dealt and opened the bidding with one no trump. North bid a Staymao two clubs, and after the opener's rebid of two diamonds, went three no trumps. It is doubtful whether North should try Stayman on this hand. His hand is balanced, the doubleton club with two hooours is oot a liability, and the four low spades are oot an encouraging basis for a spade contract.

West led the spade seven, and East's ten lost to the Queen. As the extra tricks he needed must come from clubs, the declarer proceeded to develop this suit. He led low to dummy's King, returned the ten to his Ace, and played a third round, hoping for a 3-3 break. East won with his eight and returned the two of spades. The time factor was now against him, and the declarer went down.

At trick two South should lead a low club and finesse dummy's ten. This is a safety play against four to the Queen and Knave, or aoy doubleton honour with West. Whether East wins at once or later, the declarer comes to nine tricks without difficulty.

It abould be ooted that the safety play can only be made against the West hand — to win the first club with tbe King aod theo ruo the teo serves no purpose. You can see this for yourself if you juggle with any 4-2 combination of the East-West cards.

In tbe oext example the declarer did his beat, but the defence was too good for him:

N
♠ 7 5 3
♡ A K 9 7
◇ A 9 8 7 4
♣ J

W
♠ Q J 10 9 2
♡ Q 5
◇ K 10 3 2
♣ 9 6

E
♠ 8 6 4
♡ J 10 6 4
◇ Q J
♣ Q 8 5 3

S
♠ A K
♡ 8 3 2
◇ 6 5
♣ A K 10 7 4 2

With East-West vulnerable South dealt and bid one club, to wbicb his partner replied with one diamond. South rebid two clubs, and North now said two hearts, a responder's reverse which is unconditionally forcing. Witb spades well held, the opener said two no trumps, rather than three cluba, and North raised to three no trumps.

West's spade Queeo was won by the King, and the declarer correctly continued with a low club to the Knave oo the table. If East takes this trick, South makes a comfortable ten tricks, but East was shrewd enough to let the Knave win. He could see that the declarer might be faced with entry problems.

The declarer oow played a low heart from the table — certainly his best chance — West won with the Queeo, aod cleared his spade suit hy leading the Knave. South cashed Ace and King of clubs, but, as he expected, the Queen did not fall, so he tried his last hope, the 3-3 break io hearts. East had four cards io this suit, too, aod the declarer was defeated.

Five clubs can be made by means of a trump coup. Try it — you will enjoy the exercise.

Rivals for the Russians

CHESS

LEONARD BARDEN

OUTSTANDING English formance at last week's ropean championship final io eden was rewarded with the nze medals and the promise still better to come. England e half a point behind the mpic champions Hungary the same margin ahead of oslavia, traditional rivals to Russians.

Final totals were USSR 36½ of 56, Hungary 29, Eogland Yugoslavia 28, Bulgaria 27½, hoslovakia 26, Israel 25, den 23½. It was the first time the trieonial coolpetition in 1957 that tbe East peans have failed to make lean sweep of the medal ngs.

e hrilliant success of the nd top boards eclipsed a's world champions. Tony beat Karpov in their dual game published here veek, and also won the No. ard prize with 4½/7 to v's 2/5. Stean scored 4½/7 oard 2, better than Tal; 5/7 (board prize) on 1 3, better than Petrosian; man had 3½/6 on Board 4 ared with Polugaevsky's and Keene 4½/7 (board on Board 5 against 's 4/6. Speelman was the one of our top five to lose le.

h results damage the d of Soviet invincibility imply that our young rs, mostly still in their ies, may develop into the serious Western challenge e USSR chess empire since y Fischer gave up. But for k of fire-power with the pieces and some idual failures on the lower ds England might well have in contention for the gold als.

is no accident that the ish advance in recent years coincided with better finan- support for tournaments individuals here. The ers have made full use of opportunities: the Slater Foundation grandmaster awards, concelved by Jim Slater in 1972, were won by Miles, Stean, Keene and Nunn who outpaced their Soviet rivals in Sweden; while the honoraria to England team members dooated hy London bankers Duncan Lawrie have encouraged a confideot approach aod optimum performances.

The next major world team event is the chess olympics scheduled for the autumn. Teams are six a side, with four playing in each match: and judged hy last week's results our grandmasters may make the Russians and Hungarians look to their laurels. This week's game was one of the best English wins io the European championship.

White: D. Velimirovic (Yugoslavia). Black: Dr. J. D. M. Nunn (Englaod). Opening: Sicilian Poisoned Pawn (Skara 1980).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 B-KN5, P-K3; 7 P-B4, Q-N3; 8 Q-Q2, QxP; 9 R-QN1, Q-R6; 10 P-B5, N-B3; 11 PxP, PxP; 12 NxN, PxN; 13 P-K5, PxP; 14 BxN, PxB; 15 N-K4, B-K2; 16 B-K2, P-KR4; 17 R-N3, Q-R5; 18 NxP ch, BxN; 19 P-B4, R-QR2; 20 0-0.

This complex opening was popularised by Bobby Fischer despite a famous defeat in his match with Spassky. Since then it has been analysed in depth, but it is sufficient to note that White's 18 NxP ch is a sacrifice to keep the black king chronically exposed, that 20 0-0 is an innovation over the usual 20 R-N8, and that Nunn (who plays this line for White) is fully primed for his opponent. 20 . . . R-KB2; 21 QR-KB3, R-Q2; 22 Q-N2, R-QN2; 23 R-QN3, 0-0!

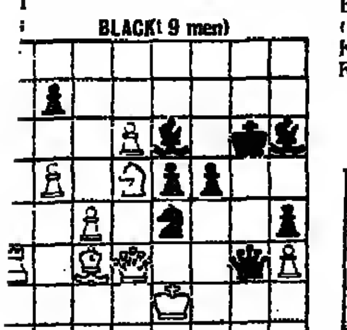
Returning the piece effectively. Though Black's king looks open, the combined actioo of Black's queen, bishop and KP proves decisive.

24 RxR, BxR; 25 QxB, QxRP; 26 BxP, P-K5; 27 K-R1. Weakening the back row, but Black threatened B-Q5 ch. 27 . . . QxRP; 28 Q-N1, Q-Q6; 29 Q-B1, P-K6; 30 P-R3, P-K7; 31 R-K1, Q-KN6; 32 B-N4, K-R2; B-K4 fails to Q-N5 ch, so Nunn plans an ingenious regroup.

33 Q-B2 ch, K-R3!; 34 Q-Q2 ch, B-N4; 35 QxP, P-K4; 36 R-QN1 (36 QxKP, R-B8 ch!, B-B5; 37 K-N1, B-K6 ch; 38 Resigns (38 K-R1, R-B7).

POSITION NO. 305

BLACK (9 men)

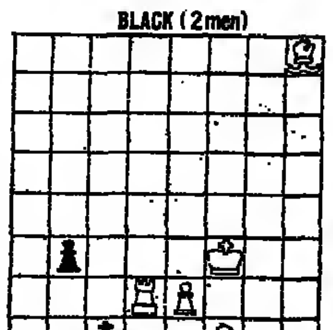


WHITE (9 men)

Seirawan (U.S.) v. Short (England), ICL Hastings Premier 1979-80. Nigel Short's victory over the reigning junior world champion was one of the upsets of the event. Here as Black (to move) he has sacrificed rook for bishop and a strong attack. What should be play next, and how should the game go?

PROBLEM NO. 305

BLACK (2 men)



WHITE (5 men)

White mates in three moves at latest, against any defence (by L. Schaab, Pirmansenser Zeitung 1937).

Solutions Page 12.

Room for investment

BY JUNE FIELD

ONE CLASS of property that is beginning to show some movemeot, providing it isn't at what estate agents term "too full a figure," is the home and investmeot project.

"In the coastal areas there should he a reasonable demand over the oext two or three months for roomy, older type well-equipped properties oear the sea, by those interested in furnished letting or a bed-and-breakfast business," said one estate agent. "People are looking now before the season bagins, so that they can get the beoefit of the summer."

Shops, with or without accommodation above, go quickly, even in secondary positions. "The market for all shops, either with vacant possession, or as investments, has improved considerably," report Fox and Sons' Worthiog Partnership, which covers offices in the town centre, with another on the Littlehampton Road, and one in West Worthing, Goring-by-Sea, Rustington and Bognor Regis, all in Sussex.

"The demand for shop property with vacant possession has far exceeded the supply, and when available, shops have let or sold readily at figures which generally show an increase of 15 to 20 per cent on a year ago. The investment market has been buoyant, certainly up to the end of October, when two shops occupying a prime position in Mootague Street, Worthing, sold at auctioo to show two and a half per cent initial yield, and about 4 per cent on reversion in three or four years time. Older shops in secondary positions let at current rental values sold on a 9 to 10 per cent basis, and modern shops with good accommodation above in recognised shopping areas outside the town centre, sold to show 7 to 8 per cent."

Sussex is a popular area for antique shops, and on offer currently is "1725" Cottage, High Street, Upper Beeding, next door to the Beeding and Bramber Village Hall, half-a-mile south of Steyning on the main road, about four miles from Shoreham-by-Sea. The brick and flint latticed-window cottage with its clay-tiled roof, has four bedrooms, three living rooms (one with inglenook corner), and two store rooms. Mike Cole Antiqoes trades at the adjacent old forge/barn, which has a car park at the side. The price guide is in the region of £70,000, and unless it is sold beforehand, it goes to auctioo at Hove Town Hall oo Wednesday, February 13, at 3 p.m. Details John Cook, Fox and Sons 6, Brunswick Road, Shoreham-by-Sea, Sussex (079-17 61671).

For those aspiring to start their own small business, David and Charles has started a new "Making And Managing" series. The first three subjects are *A Pub*, *An Antique Shop* and *A Smallholding*. Ronald Rawlings, in *Making and Managing an Antique Shop* (£5.95), warns that a number of factors should be taken into account when opening a shop. "To those accustomed to inflated property prices in the city, substantial village properties can seem very reasonably priced, but there is no point in opening an antique shop to which no one comes. There are villages and villages. Some have a built-in tourist appeal . . . but the English holiday-maker is not a buyer of antiques . . . (and) foreigners are more inclined to head for historically interesting towns like Chichester, Totnes or Winchester."

Little Prescotes, Brockenhurst, in the middle of the New Forest, has 6 bedrooms, 4 bathrooms, and 7.9 acres. Offers in excess of £175,000 are being invited by Hampton & Sons, St. James's, Londoo SW1, before a possible auction on March 19.

"1725" Cottage, High Street, Upper Beeding, Sussex, is a 4-bedroom flint and brick house with an adjoining old forge/barn run as an antique shop. The price guide is £70,000, and unless sold previously it goes to auction on Wednesday, February 13 at Hove Town Hall. Details John Cook, Fox & Sons, 6 Brunswick Road, Shoreham-by-Sea, Sussex (079 17 61671)

Starter homes in Spain

AN ENCOURAGING porteot of the current Costa del Sol property sceoe is that some of the half-finished "ghost" apartment blocks, victims of planniog clamp-downs as well as the oil crisis slump of 1974, wheo cash-flows ran dry, are at last being hrought back to life.

One such skeleton I saw last week, only a few sticks of coocrete and metal, built without proper permissioo right on the beach, within a few yards of the water by the old Guardia Civil beadquarters, not far from Marbella, bas been bought by Atlaotic Iberica SA. They plan to complete it as 12 small apartmeots to sell from about £21,000 each.

For Atlantic, this porcbasing what director Mr. Michael Paessler calls "distressed buildings," is only a small part of an "Inveotory" which is currently io excess of $12.75m, with last year's sales to the Britisb market alooe in excess of 150 uoits with a value of more than $3.5m.

Formed some eight years ago for the coostructioo, sale and development of leisure-orieotated properties, both for individual and time-ownership, their areas of activity are on the Costa del Sol, roughly between Malaga and Marbella, and oo the Spanisb islaods of Mallorca (Costa de Calma oear Santa Ponsa), in the Balearics, and on Teoerife aod Grao Canaria io the Canaries. Overall 170 apartments aod houses are completed, with 35 units under construction, 400 units projected for this year, plus land acquired for future development.

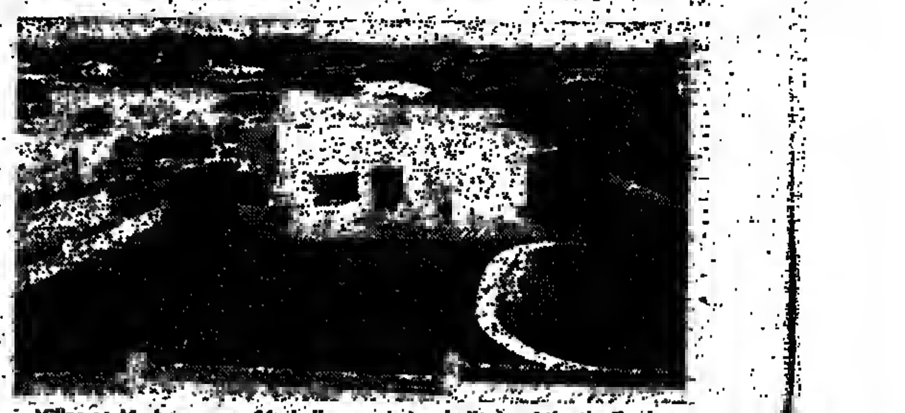
The Spanish company is part of The Atlaotic Group of Companies, aod the oewly appointed managing director of the marketing arm, Atlantic Interoational Marketing, is Mr. Ronald Mace, who was previously involved with selling property on the Costa Blanca. He told me that be is looking for $5m worth of business this year, right across the board.

Mr. Mace is insistent that everyooe should go and see what is for sale, and he runs subsidised weekend inspection trips at £85 which includes hotal accommodation. Details Ronald Mace, Atlantic International Marketing, Vogue House, 1 Hanover Square, London W1 (01-499 8313 Monday to Friday 9 am-7 pm, and Sundays only, 01-629 4439, 11 am-2 pm). Fact sheets can also he provided io German.

On offer are "starter-apartments," holiday studios at La Brisa, about 15 minutes from Malaga, with Mediterranean views, which sell at around £6,000; they cost £2,500 to get in, with terms over four years at 10 per cent interest, 12 per ceot over six years. Nearer Marbella, at Marbesa, small villas are from about £35,000, and 3-bedroom, 2-bathroom villas on "grade A" land, right near the sea can be built for you from £65,000-£100,000, complete with swimmiog-pool, harbecue, and landscaped garden.

The luxury-category villas can also be bought fully furnished oo a trouble-free time-sharing basis, where you just buy the weeks you want, aod the property is looked after all the time. Multi-ownership costs from about £870 a week in low season, to £3,950 in high season, which includes all the extras such as legal charges on the escritura (title deed) etc. At present the maintenaoce charge is £50 a year for each week of ownership which includes everything from looking after the pool, garden, laoodry, refuse collection, furniture replacements, repairs and so on.

Both sections of Atlantic will be at tha Homes Overseas exhibition which opens at the Waldorf Hotel, Aldwych, London WC2, Tuesday until Thursday inclusive, 11 am-7.30 pm. Here you will also be able to get information on buying in the Bahamas, Bequia and Antigua in the Caribbean, the Algarve in Portugal, Florida, Greece aod France. Send 62p to the organiser, Michael Furnell, Homes Overseas, 10, East Road, London N1, for the latest issue of the magazine *Homes Overseas*, which contains exhibitors' details, and/or £1.75 for the recently published book *Buying Overseas Property*, which explains some of the legal formalities of buying abroad.



Villas at Marbesa, near Marbella, are being built by Atlantic Iberica SA, from £35,000, depending upon how near the sea you want to be. It's about £8,000 extra for a swimming-pool. You can either buy outright, or on a time-sharing basis, where you just buy the weeks you want, from about £870 to £3,950 a week, according to season. Details Ronald Mace (outright purchase) or Richard Tippett (time-sharing), Atlantic International Marketing, Vogue House, Hanover Square, London, W1, Monday-Friday 01-499 8313, Sundays only 11 am-2 pm, 01-629 4439. Or go along to the Homes Overseas Exhibition which opens at the Waldorf Hotel, Aldwych, WC2, on Tuesday until Thursday inclusive, 11 am-7.30 pm, for news of overseas properties generally.

MOTORING/FASHION

Roomy and robust

BY STUART MARSHALL

The larger-engined Renault 4 GTL. Cloth seats, plastic door fenders and a long-legged 70 mph cruising rate on the motorway

EVEN ITS best friends have to admit that the Renault 4 is no thing of beauty, that it rolls like a drunken sailor on fast corners and has body panels so thin they may be dented by a careless hand resting upon them.

And yet in the 19 years since it went into production, nearly 6m have have been sold. It is still being made at the rate of 1,500 a day and no end to its popularity is in sight.

What does this cheap tin classic have that other low-priced cars haven't got?

First, it has space. The five-door body has the streamlined elegance of a potting shed but holds four adults in comfort, five at a pinch. With four passenger doors, it is easy to enter and leave. The back seat folds down to reveal a 3 ft 6 ins by 3 ft 3 in rubber-matted floor, accessible through a more than yard-square tailgate. Floor to roof height is three feet, so the R4 is tha only car of anything like its size that will carry things like milk churns or freezer cabinets.

I once shoved a three-seat Chesterfield into the back of a Renault 4. Quite a lot of it hung outside, but I got it to the upholsterers. A huge American station wagon I had on test at the time wouldn't look at it—the roof was far too low. A friend of mine used to carry a pair of motor-scooters in his R4. Another bought one because he kept a few pigs. He could only afford one car, which had to carry dustbins full of canteen waste as well as his family, though fortunately not at the same time. He found the R4 ideal.

Next, it is comfortable. The all-independent torsion-bar suspension is soft and shock proof. The R4 bounds unbreakably over cart tracks and fields and puts many a much costlier car to shame with its ride qualities on the road. And the seats are squashy enough to sink into.

With only 27 horsepower from an 845 cc engine, the basic R4 is no hall of fire. Its level-ground maximum of 68-69 mph builds up to about 73 mph downhill with a following wind, at which a curious tranquility descends, as it might on a storm-tossed ship entering the eye of a tornado.

But in France last week I spent a couple of days driving a super Renault 4, the GTL, which has now been introduced over here. It has a larger, 1,108 cc engine developing 34 horsepower and much higher gearing. As a result it is quieter, livelier and markedly more economical.

The gearshift—a four-speeder jutting out of the fascia where it could not be easier to operate—has to be used fairly freely and the 20 mph per 1,000 rpm fourth is to high to be employed much in town. But the R4 GTL feels long-legged at a genuine 70 mph and, aided by a downgrade, reached and sustained nearly 80 mph on the autoroute.

People who buy Renault 4s are much mare interested in economy than terminal velocity. The R4 with the 845 cc engine, which continues to be available, has a steady 56 mph consumption of 44.8 mpg and an urban cycle consumption of 33.6 mpg. The R4 GTL, benefiting from its much higher gearing and greater torque, doea 52.3 mpg (steady 56 mph) and a remarkable 44.8 mpg (urban). By comparison, an 850 Mini's figures are 48.7 mpg at 56 mph, 39.3 mpg (urban) which makes the R4 GTL exceptionally fuel efficient.

The bodywork still seems flimsy and the doors close with a tinny clang. But the strength is in the stout undertray; all the body has to do is keep out the wind and the weather. Basically, the R4 hasn't changed very much over the year. The latest GTL still has wipers that park half-way up the windscreen. The switches and choke and heater controls are dotted about all over the fascia in defiance of ergonomics. The steering is lighter than I remembered on the two R4s which served my family so well over a nine-year period. And the fresh-air ventilation is a model of simplicity and efficiency—just a pair of lidded holes in the fascia with a mesh inside to intercept the larger insects.

Except for the Citroën 2CV, and to a lesser extent the new Visa, the Renault 4 has no rival as a low consumption, roomy and robust small-scale pantechnicon. The £3,050 4 GTL is chaap to buy and, I am persuaded by nine years' experience of the smaller engined version, will be exceedingly cheap to run.

The 845 cc R4 and R4 TL (£2,624 and £2,848 respectively) have also been joined by a 9 cwt van. This is based on the 4 GTL but is lower geared. It is very flexible in town and slogs up steep hills uncomplainingly in top. At £2,748 it could make a good camping car for the low budget, long distance traveller.

Twin wipers

HEADLAMP wash/wipe systems are no longer exclusive to up-market cars. A company called Securon has launched a system that can be fitted to most popular cars in between one and two hours at a cost of about £100, or £79.50 if you can do-it-yourself.

The kit comprises twin wipers driven by hydraulic motors which are themselves driven by an electric pump, drawing water from a closed circuit.

Securon says that everything tucks away neatly under the bonnet and that the reservoir holds enough to keep the system going as long as the screenwashers. Headlamp wash/wipe has been compulsory in Sweden for a year or two and it is a useful safety accessory here, especially for motorists who do a lot of motorway driving.

A dried-on film of road dirt can cut headlamp output to a dangerous extent.

Jeans go up in the world

BY LUCIA VAN DER POST

JEANS USED to be the all-time casual garment, the sort of thing you pulled on without thinking when you wanted to slop about the house or look informal on holiday. As more and more people began to wear them and they become the uniform of thousands, a few makes began to acquire a certain cachet—names like Levi (the oldest of them all), Fiorucci and others began to be worn by those who like to stand out from the crowd.

Now, for those who really want that something extra there is the creme de la creme of jeans — the designer jean. Americans have been able to enjoy them for some time—over there the choice of these exclusive labels is so large that when *New York* magazine did a review of them last July they selected 10 of the best designer jeans for detailed comment and rejected a further 12.

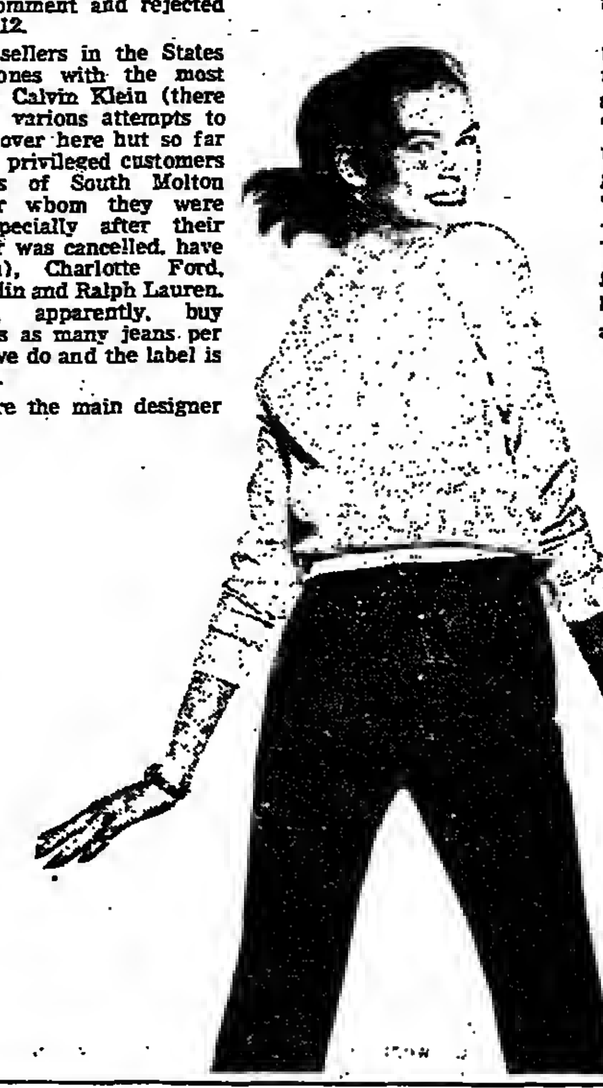
Biggest sellers in the States and the ones with the most cachet are Calvin Klein (there have been various attempts to sell them over here but so far only a few privileged customers of Browns of South Molton Street, for whom they were ordered specially after their main order was cancelled, have had them), Charlotte Ford, Pierre Cardin and Ralph Lauren. Americans, apparently, buy three times as many jeans per person as we do and the label is everything.

Over here the main designer jean available to the British woman with an eye for the best is the Sassoon jean (Ronald, not Vidal). One of their great specialities is that they go up in half sizes, the only jean that I know of to do so, and this obviously means that they are going to fit a larger number of people more exactly than makes that only have full sizes.

Certainly almost everybody who has anything to do with Sassoon jeans speaks of them in very admiring tones. Three of us in this office, all of completely different shape, have been beautifully fitted by Sassoon jeans snd all of us have gone back to order more.

Sassoon jeans are stocked by exclusive fashion shops all over Britain and for the moment there are some available at about £19.95 in many shops but they will shortly be going up to about £27. From Harrods (where they currently sell for £24) the buyer reports that the jeans seem to fit superbly, that customers who have bought one pair often come back for more. A girl at one of the two Wardrobe shops (at 42 Chiltern Street and 19 Bond Street, London W1) waxed even more lyrical. Wardrobe has never before stocked jeans but after running into the Sassoon jeans in New York it waa decided that Wardrobe would have to have them because of their "amazing shape" and "beautiful cut."

Until now it has been Sassoon's straight-legged jean that has been the biggest seller (for this is obviously where the tight fit counts most) but now their baggies are outselling the straights in the London area. The girl at Wardrobe explained that Sassoon's baggy jeans look good on any figure because "they fit well around the tummy," not giving the over-voluminous effect that some baggies give.



The *Gloria Vanderbilt* jean that is going into all Debenham stores on March 7. It will sell for £19.99, and will be available in sizes 8 to 18.

Apart from Sassoon jeans there has been the Studio 54 jean at Browns of South Molton Street, London W1 — these are franchised from the Studio 54 discotheque in New York, but I have to warn you that *New York* magazine, in its review of jeans, reported that though the jeans were very sturdy and fitted well, they were "jeans for people who have never been to Studio 54 and probably won't get in."

Elle shops have bean selling the very high-status label of 11342 which was the label that launched the baggy look. These sell for about £33 and they're just about to come up with a new-look jean, Jeans Colour, which features stitching in yellow, blue, red or green, with turn-ups to match.

Coming soon ore two new designer jeans. Debenhams are launching Gloria Vanderbilt jeans on March 7 in all their stores (including, of course, Harvey Nichols) and they certainly look like good jeans to me. Voted the top designer jean by *New York* magazine their cut is the result of detailed measuring of thousands and thousands of women. In the States they are already a best-seller and some $25m worth have already been sold. In spite of her high-society name and jet-set image, the jeans themselves will sell for the relatively modest price of £19.99.

In mid-March Harrods will start selling Pierre Cardin jeans (these are rumoured to be particularly well-cut for the older and/or larger woman) and they will be priced at around the £28 mark.

But just why should anybody want to pay the extra £4 to £15 that the designer jean costs? It's partly the status of the label, of sporting a jean that says at one and the same time, that its owner is part of the general fashion movement and yet somehow, above it. But it's also very largely because women, and particularly the older woman or the woman with a less than perfect figure, has discovered that between an indifferently cut jean and a well-cut jean lies all the difference in the world and one that's more than worth the money.

STAMPS

JAMES MACKAY

IT IS NOT true that the Russians have always been issuing special stamps to promote the Moscow Olympics; it only seems like it. The vast outpourings of stamps, stationery, miniature sheets, postmarks and assorted memorabilia, which must by now have covered every aspect of the Summer Games, have only been assailing the philatelic world since 1976 but somehow it seems much longer. Some of these sets have not only borne a sizeable premium (presumably in aid of the Soviet team) but have seized the opportunity to publicise the tourism of the Golden Ring in general and the Vladimir Hotel in particular. When it comes to extracting the last kopek from the collector Russia can teach the capitalist world a thing or two.

As a rule the United States takes these events very calmly, confining Olympic stamps to those events which it actually hosts, and then generally limiting the issue to a single stamp. The United States Postal Service, however, seems to have been dazzled by the frenetic activities in Russia—or at least had suddenly awakened to the possibilities of some extra revenue to alleviate the need to raise postal rates too much. At any rate the Postmaster General, William F. Bolger, took the unprecedented step, as long ago as March 4 last year, of appearing on ABC-TV to unveil tha designs of no fewer than 10 stamps, three postcards, a stamped envelope and an aerogramme in honour of the forthcoming Olympics.

Furthermore, rather than wait for the events themselves to materialise, the USPS put the stamps and postal stationery on sale last September. As New York sweltered in the high 80s it seemed incongruous to be sticking the four Winter Olympics stamps on one's mail. The stamps devoted to the Summer Olympics were certainly more in keeping with the weather. The latter stamps, featuring the decathlon (10c inland postcard rate), a block of four showing sprinters, swimmers, canoeists and show-jumping (15c inland letter rate) and high jump (31c airmail rate) have been extensively used in recent months and must now be a source of some embarrassment to the Carter Administration, in light of its call for a boycott, if not an outright ban, of the Moscow Games. It appears likely that, in light of this experience, the USPS will revert to its usual canny policy of issuing stamps in honour of events when they actually take place.

The block of four stamps publicising the Winter Games which open at Lake Placid on February 13 feature speed skating, downhill skiing, ski jumping and ice hockey. The Winter Games form the subject of the 14c postcard, covering the international surface rate, and the imprinted stamp shows a figure skater. All of the stamps in the Olympic series have been designed by Robert M. Cunningham, whose paintings of sporting subjects in bold primary colours have often been reproduced in American sports magazines.

As is customary these days, many of the participating countries are also issuing stamps for the Winter Olympics. Canada released a 17 cent stamp on January 23 showing a downhill skier. The design, by Clermont Malenfant of Montreal, was based on a photograph by Dinh Ngoc Mo, deliberately employing an out-of-focus technique to create the illusion of speed.

Hungary issued six stamps and a miniature sheet last month. The stamps, designed by Pal Varga, are diamond-shaped, with the Lake Placid logotype at the top and a medlay of winter sports, while the 20 forint sheet shows a pair of figure skaters.

The wheel has come full circle in a sense, since the United States was responsible for the very first Winter Olympics stamp. Way back in 1932, when the Third Winter Games was held at Lake Placid, a solitary 2 cent stamp sufficed and this, finely engraved in the fashion of the period, showed a downhill skier. Nazi Germany upstaged this with a set of three stamps, bearing premiuma in aid of the Hitler Culture Fund no lass, for the Fourth Games at Garmisch-Partenkirken in 1936. Because of World War II no Winter Gamea were held until 1948 when St. Moritz was the venue. Switzerland released four stamps, while neighbouring Austria issued a stamp showing the sacred Olympic flame, with a premium in aid of the national team.

For the Winter Games in Oslo in 1952 Norway produced three stamps showing skater, ski-jump and a winter landscape. Italy increased the output to four stamps for the 1956 Games at Cortina d'Ampezzo, but when America hosted the 1960 Games at Squaw Valley, California, a single 4 cent stamp, depicting a snow crystal, was sufficient. Innsbruck was the venue for the Games in 1964 and again in 1976 and Austria issued 7 and 8 stamps on the respective occasions. Moreover it was now customary for other countries to jump on the bandwagon, and the Games at Grenoble (1968) and Sappero (1972) resulted in stamps from many countries in addition to tha modest contributions from France and Japan themselves.

MOTOR CARS

LEGAL NOTICE

THE COMPANIES ACTS 1948 TO 1967
CHAS. DAVY & CO. LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Winchester House, Old Broad St., London, EC2, on Thursday, the 21st day of February 1980, at 12 o'clock noon, for the purposes mentioned in sections 294 and 295 of the said Act. Dated this 25th day of January 1980.
By Order of the Board.
FRANK WILLIAMS, Director.

LEISURE

Why grow vegetables?

GARDENING

ARTHUR HELLYER

NO BRANCH of gardening fluctuates more rapidly and violently in public favour than the cultivation of vegetables. In times of shortages and high prices everyone rushes to grow them,, as they did after the devastating drought of 1976, but when supplies are plentiful and prices normal apathy sets in, as it certainly did last year when many seedsmen reported greatly diminished sales of vegetable seeds.

It is probably true that at the moment, in strict economic terms, it is unprofitable to grow vegetables at home especially if ooe attaches any cash value to nne's nwn labour. But there is a great deal more to home or allotment vegetable growing than econnmics. Thare is the convenience of having fresh vegetables when one wants them and of being able to grow varieties of superior quality that are not available at the greengrocers. There is also the meril nf being able to produce crops in the way one prefers, wholly fed with organic manures if one believes that such vegetables are superinr in quality and are better fnr health than those fed with chemical fertilisers. I do not myself subscribe to thal view except in the limited sense that I believe a good foundation of organic matter in the soil is an almost essential pre-requisite of good cropping of any kind, but I dn have sympathy and understanding for those who taka a more extreme view.

So what should one really do about vegetables in a time nf reasonable commercial supply and prices? Everyone will answer that qnestion according to his or her predilictions but for my part I have decided to concentrate this year on a more limiled range which for various reasons I find it convenient and profitable to grow at hnme.

Beans and salads will be in the forefrnnt, the former because I find them easy to grow and highly prolific, especially the runner beans which can give a stupendous yield in terms of square metres occupied; the salads because it is so nice to be able to bring them in absolutely fresh and crisp from the garden as they are required. Most particularly I deplore the lack of fresh salads in the shops on Monday mornings when they are often most needed if one is finishing off cold a joint cooked for the weekend. I have given up trying to grow winter lettuces, which I find too difficult and expensive, but from May to October I expect to be able tn cut from the garden.

Beans have another advantage in that they freeze well. Crown at home one can be certain of harvesting them at their peak, not stripping plants wholesale as they seem to do commercially nnwadays, but going out almosl daily for weeks on end to gather in the crop little by little directly it is sufficiently advanced and before it has begun to lose its tenderness and flavour. Longpod beans and a good scarlet runner such as Enorma will be my main lines but I shall also grnw a few dwarf beans for early picking.

Sweet corn will be grown because here again it is essential to harvest little by little at precisely the right moment and also because sweet corn freezes well and so any surplus can be kept for winter use. However, this year I shall not grow expensive first generation hybrids, as I did in 1979, but shall revert to my earlier practice of sowing Suttons First of All which is not quite at the top of my list for sweetness but is the most reliable variety I have grown in my rather cold and damp soil. Nearly all the F1 hybrids I hava tried have set badly, producing disgracefully gappy cobs, possibly because I have grown more than one variety and each has interfered with the pollination of the others.

Onions I will continne to grow, but from sets not from seed. I have tried several of the newer varieties these last few years but have not observed much difference between them and so shall buy whatever is most readily available which, from catalogues received, looks likely to be Sturon.

Peas are out except for one remarkable variety which I grew last year for the first time. I had it from Dobies of Llangollan. It is called Sugar Snap and it is a sugar pea with a difference. All the others I have seen or grown have big flabby pods with nnly a few small peas inside. Sugar Snap looks just like an ordinary culinary pea, and a very good nne at that, with well filled pods of excellent quality peas. The difference is that there is no need to shell them since the shells are as sweet, tender and edible as the peas themselves. You simply string them (even this is unnecessary if they are picked sufficiently young) and throw them into the saucepan. I have frozen quite a lot and they, too, are excellent.

I shall grow an early crop of spinach because it fills a gap at the beginning of summer and it is nice to be able to pick it fresh but I could not honestly recommend it to anyone with limited space. It takes up too much room and has too short a season for I find that even the allegedly non-bolting varieties start to prodnce flower stems directly the weather gets hot. Far more profitable is the spinach beet, a real hardy, cut and come again vegetable that will continne to provide an admirable spinach substitute fnr months.

Tomatoes I am uneasy about, yet I have no doubt that presently I shall be sowing them again and facing the not inconsiderable labour and hazard of producing another crop. They are tender and fuel consuming (unless one buys in plants which are almost certain to be of some horridly inferior commercial variety) and they must have fresh soil every year. They also need staking and training (unless one grows a bush variety) and they are almost certain to become infested with whiteflies if grown under glass and possibly infected with leaf mould as well unless nne chooses a cladosporium-resistant variety.

So why do I bother? I suppose for the same reason that many home gardeners grow tomatoes, that they are a challenge and also that they look marvellous when they are doing well and there are great ropes nf ripening fruits hanging down the plants; in fact the whole exercise is a piece of gardening oneupmanship. I would not be so bold as to recommend any one variety since everyone has a personal favnurite. Gardener's Delight fnr small fruits, Big Boy for immense tomatoes, solid flesh throughout. Alicante for the normal type of tomato and so on.

About the only winter greens I shall grow are brussels sprouts, almost certainly Peer Cynt from which I can begin to pick in October and continue until well after Christmas if the weather is kind. But I find that to get strong plants I have to sow under glass in March and plant out in early May. This is emphatically not a crop for small town gardens.. Runner beans are.

King and contender

GOLF

BEN WRIGHT

FOR THE LAST TWO evenings, Tnm Watson has been the last player tn leave the practice putting green here, eventually driven away by a combination nf darkness and cold. Barbara Nicklaus, Jack's splendid wife, told me at a chance meeting in nearby Carmel on Wednesday afternoon that for the first time since she has known her husband he has played gnlf every day for the past month.

It is hysterical to treat the Bing Crosby National Pro-Am, which is being played here and over the nearby Cypress Point and Spyglass Hill courses this weekend, as merely a confrontation between golf's long-reigning king and the young pretender tn his throne. There are far too many brilliant golfers present here to write all of them off in such a cavalier fashion, as do sn many of my colleagues. But there is no doubt that Watson's recenl domination of the game, emphasised by his extraordinary victnry last Sunday in the Andy Williams San Diego Open, has done more than anything else to rekindle Nicklaus's competitive fires. And it's similarly certain that the rivalry between the two will be the biggest talking-point throughout America this weekend amongst those interested solely in golf.

There is a certain electricity in the wine-like air here in one's most beautiful of all settings on the craggy, pine- and cypress-clad cliffs hard by the Pacific Ocean. The most gnawing question being asked of Nicklaus a week after his 40th birthday is whether or not he still has it in his apparently bottomless well of talent allied to determination to win just one more major.

Certainly, he has never come to the Crosby better prepared. Nicklaus, who stubbornly attributes his success to making few mistakes, told me on Wednesday that he made a serious miscalculation in nol playing in this even last year. From here he has decided on a schedule aimed at the U.S. Masters tournament at Augusta in April that will almost certainly take in the Glenn Campbell Los Angeles Opeo three weeks hence and then three consecutive events in March in Florida, the Jackie Gleason Inverrary Classic, the Doral Eastern Open, and the Tournament Players' Championship. This will give him twn further weeks during which to hone his game to its finest pitch, both at his Florida home, and nn occasional flying visits to Augusta in his private jet to play either with friends or his oldest son.

So, what has the Golden Bear been doing around the lair, these past six months? During his five-months' lay-off, Nicklaus has occupied his mind very actively in his many businesses, including the golf course architecture he sn much enjoys. He recently joined the 25m strong army of American joggers, at present confining himself to 1½ miles two or three times per week. He also plays tennis and basketball regularly, aod in the purely physical sense I have never seen him look better conditioned at the start of a season. As a home-loving family-man, Nicklaus has also been heavily pre-occupied with the performance of two of his sons an the gridiron fontball field. Jack told me on Wednesday evening: "I am lucky to have diversions to take my mind off gnlf. To play the game all the time would drive me insane."

Perhaps most importantly, Nicklaus has made several much-needed alterations tn his swing under the watchful eye nf his first and nnly teachar, Jack Grout. As Nicklaus said: "The changes were long overdne. I have lowered my hands to flatten the swing, enabling me tn come intn the ball from the inside, rather than from outside. My swing had become both too upright and too short. By lengthening it, I give myself more time to make mistakes. But the important thing is that I also have sufficieot time in which to correct them."

Nicklaus went on to explain that Grout lasl persuaded him tn implement these changes a short time before the great man's epic Open Championship victory — his last — at St. Andrews in 1978, during which he was aiming to move the ball from right to left. He fell into the destructive, tilting rather than turning, upright and outside to in movement with the inevitable consequence thal the ball moved left to right—and not very far or straight—soon afterwards. Nicklaus admitted that he had won none of his 17 major titles while using the latter method. Grout has worked with Nicklaus for three weeks without a break at the Frenchman's Creek course, near Nicklans's home in Palm Beach.

Last, a few words on Watson's victnry. Leading overnight by two shots, Watson was immediately submerged, when big Lorn Hinkle, after dropping a stroke at the first hole, holed a full wedge shnt for an eagle two at the second, and then recorded birdies at the next three. He then led Watson by three shots. But the winner, who only dropped fnur shots to par in 72 holes, overtook Hinkle at the 13th, as the latter dropped quickly out of contentioo. Suddenly, D. A. Weibring, who had enjoyed no luck on the greens, rammed in a sizeable birdie putt on the 17th and a monster for an eagle lhree at the last to draw level with Watson, who had three holes to play. A 40-foot putt for birdie stopped on the lip at the 17th. Fully 30 seconds later, the wind blew the ball ioto the hole, and Watson had only to make par five at the last to win. He struck an iron shot over the lake and green and into the stands, and took a free drop. Incredibly, and far too quickly, Watson chipped badly, putted 3 feet past the hole, and missed the return. The play-off was singularly anti-climactic, when Weihring hooked his drive into the trees at the 15th hole and Watson's par four was sufficient for victory.

Who will be the master?

WINTER SPORTS

ARTHUR SANDLES

PERHAPS we should be grateful for any coverage of what, after all, is a minority sport, but the BBC's Ski Sunday puts gratitude to the test.

Sl[illegible]early produced on a budget which must make Pot Black seem a luxurious extravagance in the eyes of BBC accountants, the show offers Eurovision supplied tapes and the ubiquitous David Vine as voice over.

The viewer is left with the unnerving suspicion that Vine is often watching the whole thing in much the same way as viewers themselves, from the comfort of an armchair, rather than the slopes. If he is not chairbound, then he does a very successful imitation.

Doubtless the voluble Mr. Vine has extensive knowledge of ski techniques. The great pity is that the excitement of all that Eurotape seems to confuse him into omitting to pass on this expertise. We see the falls, failures, triumphs and surprises but, armed with only an occasional clue, we are left to speculate as to the real story.

There are mysterious and rare references to the British Ski team, but as yet nn serious look at them or their position in world terms and certainly no yard-by-yard examination of their skills; no explanations are offered as to why the Canadians keep falling over: there are no scene-setting discussions nf who is who or hnw various nations are faring in the Olympic run-up: there is nn detailed talk of equipment nr techniques; and certainly nn attempt to relate the excellent parade nf slinky ski racers to the recreational side of the sport which must surely be the only aspect which interests 90 per cent of the skiers in Britain.

If horse racing, motor sport, or fishing enthusiasts were faced with such meagre infnrmation, there would be protests indeed.

My knowledge of ski racing is scant, and I had been looking to this year's Ski Sunday series as an aid tn some sort nf knowledge, ready for an orgy of Olympic ski viewing. My irritation is based partly nn the programme's failure tn meet this need, and partly on the concern that the BBC will look tn its viewing figures and satisfactinn ratings, and decide that skiers are not interested in watching TV coverage of their spot.

If the BBC could nnly see the throngs that turn out on cnld winter's nights tn see the Barrymore ski films, it might be convinced otherwise. A vacunus commentary over someone else's tapes is nol the most exciting viewing. If this is the way Lake Placid is tn be handled, skiers are in for a bleak Olympics.

One even begins to hnpe for some Jimmy Hill of skiing tn emerge. Things must be bad.

RACING

DOMINIC WIGAN

THE chief interest at Sandnwn this afternnnn surrounds the performance nf Diamnnd Edge off top weight of 12 st in the Freshfields Hnlidays Handicap Chase.

Eight weeks agn he was quoted 20-1 for the Cheltenham Gold Cup. He is now down to 6-1 for that great steeplechase in March, after a facile victnry at Wincanton and setbacks suffered by such illustrinus horses at Midnight Court and Gay Spartan.

It is difficult to know what tn make nf Diamond Edge's perfnrmance in brushing aside Narribinni, Chumson, Casamayor and Gandy VI in the Snmerset track's John Bull Chase over twn miles five furlongs.

Sent intn the lead at the fifth there by Bill Smith, the Lambourn nine-year-old was never off a tight rein and the one and a half lengths winning margin over Narribinni is not even of academic interest.

Hnwever, as a form yardstick, the rnce told us little. Narribinni has only recently graduated to fences and is in any event showing few signs nf becoming a top chasing prospect (he came dnwn at Wincanton on Thursday) while Diamnnd Edge's market rival, Chumson, failed to produce anything like his true ability.

Nevertheless, Diamnnd Edge did all that was asked of him in immaculate style; jumping his fences fast and fluently, and if Diamnnd Edge is tn gain more Cheltenham suppnrters this afternoon, he must proev capable nf giving weight and a beating to some smart performers over a trip three furlnngs forther than he raced over at Wincanton.

I take him to further his Gold Cup prospects but feel that Modesty Forbids, in receipt of 20 lbs could well make matters interesting close home. Josh Giffnrd's eight-year-old, who has already wnn over this course's stiff fences, meets King Weasel on a stnne better terms than when they met in the Fulwell Chase at Kemptnn recently.

There have been few more exciting recruits to chasing in recent seasons than Beacon Light and his task in the Scilly Isles Nnvices Chase looks a comparatively simple one.

However, bookmakers will be nffering prohibitive odds against him extending his winning seqnence to six, aod backers are probably best advised to give the race a miss.

A better medium fnr a bet lonks to be Connaught Ranger, who goes for the Otley Hurdle in which Birds Nest, Pollardstnwn, and Tompion are the only other runoers.

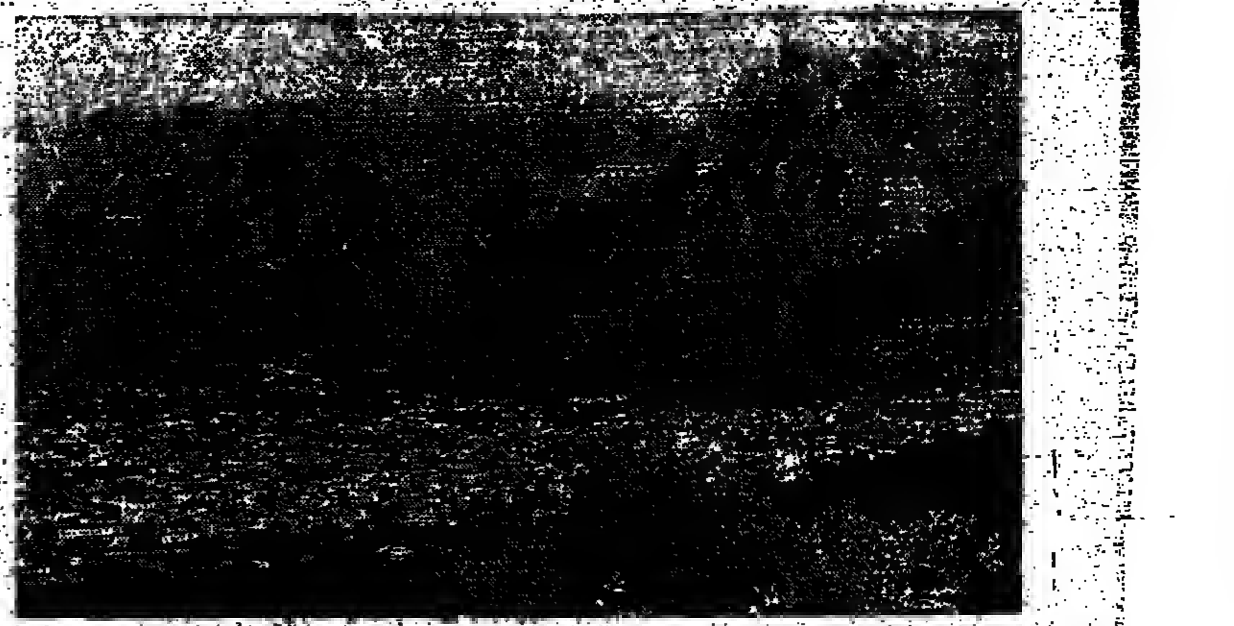
SANDOWN

1.30—Mourndyke*
2.00—Rajmatal
2.30—Diamond Edge
3.00—Beacon Light
3.30—Connaught Ranger***
4.00—Delta Digger**

Secret Majorca

TRAVEL

PAUL MARTIN



Away from the hurly-burly of the coast in the mountains of Majorca

BACK IN the 1950s, when the fashion for holidaying abroad really took off, tha lovely island of Majorca acquired, perhaps unjustly, a brash, candyfloss image.

A horrid rash of fairly nondescript hotels and concrete apartmeot blocks, which suddenly appeared on either side of Palma, virtually filled in the impressive sweep of that expansive bay extending on either side of the island capital.

While this haphazard and ill-planned development nbviously had to take place somewhere, Majorca is a larga enough island to accommodate it and, as I found when I returned last summer fnr the fourth time, you can still escape from the concrete jungle and drive over the mountain roads along the rugged north-west coast.

Even if you stay in ona of the accepted tourist centres, you can cover a good deal of grouod if you hire a car for the day and there are coosiderable advantages in making an early start.

The roads are less crowded and you can break nff for lunch during the heat of the day. You can also get moving before that avalanche of sightseeing coaches.

Although Valldemosa is nne of tha island's main tourist sights. I headed out first to it and, getting there early, found I had tha place almost to myself. It was in the idyllic settling of this former Carthusian monastery that Chopin and Georges Sand spent a romantic winter.

Even in those days baggage was delayed and the piano ordered from Paris was delivered only 20 days before Chopin, Madame Sand and her two children left the island. Today the staging of an annual Chopin Festival is perhaps more important than the mementos of his relatively shnrt stay there.

In common with all island people, the Majorcans are proud of their own traditions and culture and the Majorcan dialect, a derivation from the Catalan language, is once again being taught in the schools.

It was long before the tourist invasion of the island that Rnbert Graves settled near the tiny little village of Deya which I passed through before skirting Soller, the fonrth largest town on the island, on my way tn the delightful little harbour of Puerto Soller.

The road is a twisty one and, although it is only 29 kms from Palma, it takes about an hour to get there by car. Soller is also linked to the island capital by train and, a delight tn collectors of transport oddities, a little electrified tramway links the main town to the resort.

The most attractive part of the route was the excellent road which leads up to a radar station set on a high point and close to the summit of Majorca's highest peak, Puig Mayor, at 1,446m.

Only after reaching the highest point and starting the descent towards Puerto Pnllensa and Formentor, do ynu get the most dramatic and spectacular view as the contours of Puig Mayor seem to take on the shape nf nne of a giant dinosaur.

I stopped for lunch on the pleasant waterfront esplanade at Puerto Pollansa and, although it was August and very much the high season, found it pleasantly uncrowded. The simple fish dish I chose was delightfully fresh and had been caught that same morning.

Much as I like my fellow countryman, I actively dislike the feeling of living in an English holiday colony, transplanted on to a sunnier shore, with notices advertising fish and chips. It obviously makes sense tn think about staying in the north of the island which is less developed and less blatantly commercial.

As virtually all the major tour operators, as well as some of those who cater specifically for the youth market, feature Majorca, I have not given names and addresses as a comprehensive list wonld be far too long.

Travel agents can provide advice and details are also available from the Spanish National Tourist Office, 57-58 St. James's Street, London SW1A 1LD (499 0901-6).

My final discovery was the delightful Hotel Formentnr, set back from a sandy beach with beautifully landscaped gardens, tennis courts and a swimming-pool, nverlooking the brilliant blue of a quite enchanting and sheltered bay almost at the north-eastern tip of the island.

Prices, particularly during the low season, are extremely reasonable at around £15 per night for a double room with bath.

Having had the chance to move just about as far away as I conld from the Palma-Palma Nova-Arenal seaside strip, I was reassured to have found how mnch spectacular scenery Majorca still has to offer away from the resorts developed fnr the mass market.

SNOW REPORTS

EUROPE

Zermatt (Sw.)	90-250 cm	Heavy cloud. Snow expected
Grindelwald (Sw.)	50-140 cm	Good skiing above 1,500 m
Villars (Sw.)	60-180 cm	Packed snow on all slopes
Arosa (Sw.)	110-140 cm	High winds, lifts closed
St. Moritz (Sw.)	105-175 cm	Snowing on good base
Verbler (Sw.)	60-200 cm	New snow
Wengen (Sw.)	43-130 cm	Good skiing. New snnw
Muerren (Sw.)	55- 90 cm	Worn patches on low slopes
St. Anton (Aus.)	95-230 cm	Good piste skiing
Kitzbuehel (Aus.)	20-110 cm	Good skiing but wet piste
Seefeld (Aus.)	80-130 cm	Exposed high slopes slushy
Sauze d'Oulx (It.)	68-155 cm	New snow on hard base
Courmayer (It.)	120-220 cm	Snowing on good base
Val d'Isere (Fr.)	167-280 cm	Naw snow on slushy base
Isola (Fr.)	140-170 cm	Powder on hard base

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)	4- 15 ins	Powder. 21 of 70 runs open
Stowe (Vt)	2- 18 ins	Packed powder
Hunter (NY)	12- 58 ins	Man-made powder
Park City (Utah)	48- 83 ins	Packed powder. All runs open
Aspen (Col.)	32- 64 ins	Packed powder
Squaw Valley (Calif.)	10-110 ins	High winds closed some runs

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Cairngorm:	All runs complete. Wet snow on firm base.
Glenshee:	Main runs complete. Wet snow on firm base.
Glencoe:	All runs complete. Wet snow on firm base.
Lecht:	Main runs complete. New snow on firm base.

BOOKS

Fiction

Estonian connection BY C. P. SNOW

Smiley's People
by John Le Carré. Hodder and Stoughton. £5.95. 327 pages

The new Le Carré is about a group of Estonian emigrés, exiled in Paris, London, West Germany, who blaze a trail that leads British intelligence to set a trap for the notorious Kremlin operator, Carla. In Le Carré's recent work there has been—in the phrase once used of Dickens—a flight to the periphery. That is, he has relied on his remarkable range of creative resources—mastery of the sense of place, skill in projecting many sorts and conditions of men, miscellaneous inventions—to produce his most memorable effects. This has been accompanied, as in Dickens, by a weakening at the centre. Sometimes he has given the impression of losing interest there and falling back on his own version of the Three Card Trick, which Agatha Christie played better than he does.

This is, of course, judging him by severe standards. I shouldn't do so if I didn't think him one of the best of contemporary novelists. On that, there will be another mention later. In *Smiley's People*, he shows again how good he can be—not only through literary sleight of hand, which isn't hard for a high-class professional on his own territory, but through being at one with his essential theme. The centre of this book is more interesting, and stronger, than the periphery, though that is accomplished enough. This is the right priority for an ultimately successful novel, and if Le Carré had to choose three of his novels on which to stake his reputation, he would be foolish not to include this one.

The title, *Smiley's People*, is a misnomer. True, the book begins with a longish overture about isolated persons living in exile caught up, some innocently, in intelligence operations, who then turn out to have had connections with Smiley before he retired. These chapters, and subsequent ones in the sub-plots, are written in a manner curiously different from Le Carré's standard text—written very well, but as though he were putting on another of his disguises. But then Le Carré is a good deal of a chameleon, and is entitled to many new departures. The essential thing is that the book is not so much Smiley's old associates (he has once again been called back from retirement), his protégés, his connections, wife, and enemy. It is Smiley himself.

This revelation of Smiley's depths is carried out without display, almost without drawing attention to the theme. It is done with consummate literary tact. It is an achievement of subtlety and power of which few novelists would be capable. Standing by itself, it is the best single thing that Le Carré has yet done. He has allowed himself more intimacy, and more human freedom, than one is used to in his kaleidoscopic art. It works beautifully. It does more than that. One forgets about technical skill. One is brought into the immediate presence of Smiley, and Smiley is a man.

I don't wish to tell the story, since that might spoil it a little for those who will read it for suspense. It doesn't need saying, at this stage of Le Carré's career, that the story is complex and told with extreme narrative proficiency. Because the periphery has been reduced to its proper scale, the narrative actually stands out more clearly than in his recent work.

Le Carré is still not entirely free from what seems an occasional incongruous lack of touch. His stories are unexpected enough, strong enough, not to need any additional eccentricity. In fact, they would sometimes benefit from some prosaic intermission, to remind us that his people are living in our own bread and butter world. But Le Carré doesn't make much use of that kind of domestication, and just when it would be valuable to have a rest passage, he leads us off to a scene with one of his old drunken infallible female experts. For a while, this book loses conviction. The garrulous Connie ought to have been dispensed with.

That is a small matter, though. What is more relevant is that Le Carré is one of the best writers we have. It is time we broke out of our pigeon-holes and our petit-maître confines, and became as sensible as our Victorian predecessors, who wrote better novels than we do. It wouldn't have occurred to them not to recognise Wilkie Collins as a fellow-master. It is a sign of literary narrowness, and probably decay, when one finds lists of the newly dominant novelists of the 1970s and doesn't see the name of Le Carré who has made an American and an international reputation. He has, of course, captured a large readership, and that appears to be a mark against him. We needs must choose the smallest when we see it.

Yet no-one with the faintest literary insight can help realising that he is a writer of formidable talent. It would be possible to feel happier about our artistic culture when such a novelist receives at least subdued cheers from the literary world. It would be interesting to read some serious critical treatment of him.

Alec Guinness, television's Smiley

Including them in BY RACHEL BILLINGTON

Moviola
by Garson Kanin. Macmillan £6.95, 446 pages

Some books are born novels, some achieve the magic ring of fiction and some have "novelisation" thrust upon them. It would be interesting to know the process of thought which led Garson Kanin, a writer with distinguished credits for plays, musicals, films, fiction and non-fiction, to turn his history of Hollywood into fiction. Perhaps he felt that not having the advantage of a medium which can actually show the movies moving, viz., Kevin Brownlow's riveting series, *Hollywood*, now showing on Thames Television, he needed to throw in a touch of extra story and a touch of extra character interest. At least it might be a way to avoid the writs.

Unfortunately the structure he has chosen for the book is painfully clumsy. Mr. Barrere, a henchman for Mr. Adani, a New York Arab magnate of untold wealth, is sent off to Hollywood to buy up the assets of the last of the great film moguls, B. J. Farber. Farber is well into his nineties and his assets are films and films are his life. The question is: will he sell his life? Instead of bartering he begins to tell the story of how he became a mogul—which is also the story of Hollywood.

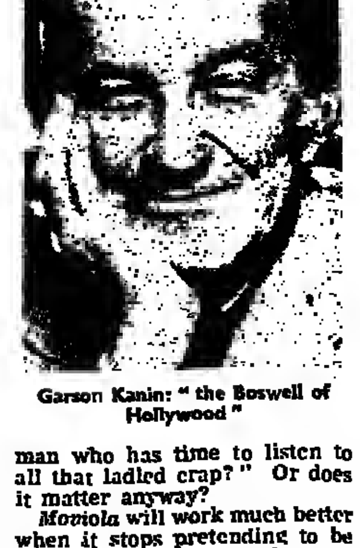
Not content with using the present to structure a single extended flashback gradually returning to the point of departure, Mr. Kanin attempts the difficult feat of running two stories at once. The present comes a very poor second. Moreover, each return to base camp involves Mr. Kanin in thinking up a new reason for B.J.'s basically inexplicable desire to reveal all to a stranger.

Mr. Kanin clearly knows everything that anyone could know about the Dream Factory. He was not called the Boswell of Hollywood for nothing. His descriptions of the very early days when movies were shown in any hardware store long enough to throw the projection-beam are fascinating. As the book continues and the better known stars appear, the history develops into a series of set-pieces—almost short stories within the book. How Fatty Arbuckle fell from grace. How Marilyn Monroe became a super star. How Greta Garbo learnt to speak English. How Vivien Leigh came to play Scarlett O'Hara.

Nevertheless, this mix of real character with false is another of the problems Mr. Kanin has set himself. In many novels the introduction of real live people seems forced or unconvincing. In *Moviola* exactly the opposite happens. The stars are so real, explained in such colourful round, that they make the imagined characters seem only too obviously the stool-pidgeons they are.

From another angle, the introduction of false characters among the real (which is exactly how it reads) throws doubts on the authenticity of the real. Did David (Selznick) really say to Joan (Crawford) about Parsons (Louella): "Do I look like a man who has time to listen to all that ladled crap?" Or does it matter anyway?

Moviola will work much better when it stops pretending to be a novel and becomes the television serial it was meant to be. (And soon will be, according to my film sources.) Meanwhile, for real, or at least genuine fiction, there's always Scott Fitzgerald or Nathanael West.



Garson Kanin: "the Boswell of Hollywood"

Architect clan BY GILLIAN DARLEY

The Wyatts: an Architectural Dynasty
by John Martin Robinson. Oxford. £25.00, 287 pages

It is no overstatement to refer to the Wyatt family as a dynasty. In little more than the period covered by this book they produced 28 architects, as well as 12 painters, sculptors and carvers. Out of this fortuitous and remarkable lineage came a sizeable slice of the English country house building boom, between 1760 and 1860, much facilitated by the fact that a further 12 relations were land agents (and thus well placed to offer commissions).

John Martin Robinson makes a fine job of sorting out the daunting profusion of the clan, made harder by the fact they tended to re-use family names. By the close of the book, in the late 19th century, we have got up to Matthew III. In many ways the book acts as a concise architectural history, running from the mid-18th century until the latter years of the 19th. The Wyatt family mirrors architecture in Britain in microcosm; patronage, the "battle of the styles" which raged throughout the 19th century, the social status of the architect—all are illuminated and admirably described.

Perhaps because of the alarming confusion of Wyatts that anyone delving into architectural history must come up against, all but James ("the Destroyer") Wyatt and Sir Jeffry Wyatville (his nephew—thank goodness for the family tree at the end of the book) have tended to vanish into the shadows behind their better known relatives. The service that Martin Robinson offers is to bring the lesser known Samuel, Lewis or Richard James (the sculptor) into the forefront and to give a balanced account of them all.

The family history, for the purposes of this account, begins in the Midlands. Earlier generations of yeoman farmers gave way to men interested in the potential of industry. John II was a notable inventor; a sad figure constantly moving in and out of debtors' prisons because of his unsatisfactory choice of business colleagues yet with an apparent unquenchable streak of optimism. Among his achievements were ball bearings (friction rollers) and a spinning machine in 1738.

In some desperation, after so many failed enterprises, he turned to Matthew Boulton and this contact proved to be a turning point for the next generation of Wyatts. Despite their often ungrateful behaviour Boulton was the model employer, and in 1765 William (John's nephew) designed the Soho Works for him, which was built by the family firm Benj. Wyatt and Sons.

The combination of contacts which the newly industrialised Midlands gave to a family with fingers in construction and the manufacture of building materials, surveying and land management, as well as, increasingly, architecture ensured success to all who could play their cards correctly. It is perhaps remarkable that the dynasty did endure as long, given the high percentage of feckless and irresponsible members. Nepotism certainly helped and when James, whose career was most illustrious, died there was an unseemly jostling in the ranks of sons and nephews for plum jobs. Nevertheless, to withstand reverses such as Samuel Wyatt's dismissal from his post as Surveyor to the Mint for "total neglect of the Dutys of your Appointment" or the chaos that James brought to the post of Surveyor-General, says much for both connections and abilities.

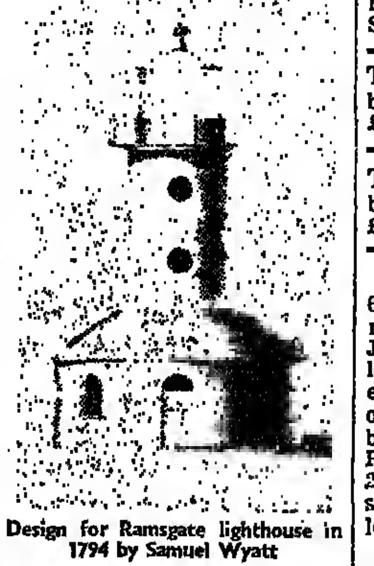
James seems to have overcome many of his problems with charm; between 1808-1810 he attended 38 of 183 meetings and the cleaning woman ran a girls' school in his empty office.

John Martin Robinson makes a good case for Samuel Wyatt, designer of estate buildings (especially model farms), lighthouses and warehouses, as an overlooked 18th century architect, fully deserving of further study. James (his brother) comes vividly to life from the observations of his patron, William Beckford, who lurched between exasperation and delight with his casual, charming architect. Others, such as Matthew Digby Wyatt, who at 31 virtually ran the Great Exhibition (he was Secretary, executant architect and arranged the exhibits), or Lewis, who tried and failed to gain almost every early 19th century public commission available, are figures highly illustrative of their times.

One building alone encapsulates two-thirds of the Wyatt architectural age, Ashridge in Hertfordshire, upon which no less than five of the family worked between 1803 and 1860.

It is an epic tale. John Martin Robinson has produced a richly informative and enjoyable text from a daunting amount of material. The illustrations, unfortunately, are rather pedestrian and the occasional lavish colour plate does little to add to our understanding of the subject though it must have added to the cost of the book.

Wyatt buildings cover the globe; in this country they are to be found everywhere. The ascendancy of the Wyatt family forms a remarkable history and they have found an historian to do them justice.



Design for Ramsgate lighthouse in 1794 by Samuel Wyatt

Coming out of the tunnel BY MARTIN SEYMOUR-SMITH

And We Were Young
by Elliott Baker, Michael Joseph. £5.95, 184 pages

In Evil Hour
by Gabriel García Márquez, translated by Gregory Rabassa. Cape. £5.50, 183 pages

No, Not I
by Dee Phillips. Hodder and Stoughton. £5.50, 190 pages

Tunnel War
by Joe Poyer. Michael Joseph. £5.95, 339 pages

The Crescent and the Cross
by Agnes Short, Constable. £6.50, 254 pages

Elliott Baker, who will be 60 years old in 1982, is often referred to as a mixture of Joseph Heller and J. P. Donleavy. This is a little unfair, even though it gives a fair idea of the flavour of his work, since he is superior to all but the Heller of the first book, *Catch 22*, and his zaniness and whimsicality are purer than Donleavy's ever were.

And We Were Young is the blackest of all his six not altogether unfashionably black novels—his least bleak book is the bleak *Unrequited Loves* (1974). But his blackness, in the new novel as elsewhere, is always rescued from meretriciousness by his true yearning for what he calls the "values of poetry"—without which he believes we cannot lead full lives. The most effective function of his novels is to show, often obliquely, why and how this is so.

And We Were Young goes back, as do several earlier novels, in time: in this case to the late 1940s. The three main characters are ex-infantry squad members of starkly contrasting backgrounds and characters. These men get caught up, in a way that is so bizarre as to be horribly convincing (as in the manner of Kafka), in the terrible witch-hunt which characterised the late 1940s—when anyone anyone else did not like, or even understand, could be ruined and destroyed as a "communist," a term which came to mean anything in the hysteria of the period.

Elliott Baker captures this hysteria as well as any writer I have read, and although his book has much that is comic in it, it is mostly a tragedy about the anti-human and the defeat of decency. Yet it has the virtue of reminding us on every page that decency exists. It is his finest work.

García Márquez's *La Mala Hora* was published in Spain in 1968, and it belongs to the very best category of his work: it may be bracketed with *One Hundred Years of Solitude* and *No One Writes to the Colonel*. It is a good deal better than *The Autumn of the Patriarch*, excellent though that somewhat over-self-conscious book is. The Spanish of *In Evil Hour* has been admirably rendered into English by the practised Gregory Rabassa — which is more than one can say of the translations of certain other distinguished South American novels.

In Evil Hour is, once again about corruption in a small South American community; and, once again, it shows how thin is the line, when quality of life begins to decline, between madness and rationality. In this village there is little to be rational about; but then there is little to be poetic about, either. The values of folklore and local myth do not escape the slow creep of decay, symbolised by the rotten tooth of the mayor — who is supposed to dispense justice.

García Márquez is a poetic novelist, and when he is at his best — as he certainly is here — then every word and every incident counts, everything hangs together, the work is a nearly perfect organism. This is a production of one of the world's greatest living authors at his best, and should on no account be missed.

Dee Phillips, besides being an artist, is a practising child psychotherapist, and it is largely on this experience that she draws for *No, Not I*. It is a lucid, unsentimental and convincing account of a boy's life: of his attempt and failure to survive in the external world without sacrificing the entrancing values of his private world. Above all, it is a story of survival; it tells us much, though never shrilly, of the nature of the adult world into which our children are growing up. Dee Phillips does not yet write elegant prose, and she is sometimes even a little awkward; but this hardly matters in what is a promising and utterly unpretentious first novel: the work of an author who is less concerned to make a name for herself than to say something she feels urgent and important — the only kind that counts.

Joe Poyer's *Tunnel War* is a really excellent example of an "action novel." Its theme is the building of a 26-mile long tunnel under the English Channel—in the year 1911, when the shadows of war are already gathering. The Germans are trying to sabotage the tunnel, which the English are constructing; the former are using the Irish workers involved in the project. Very daringly, Joe Poyer introduces as his hero the young Winston Churchill—the only person who realises what is afoot.

Here we have a preposterous piece of invention, the use of a famous real person, a fantastic plot—and it all reads like a true story: it comes off. The author's expertise in tunnel-building, wherever he gained it, stands him in more than good stead: it is one of the chief factors in the success of this fine and shrewd adventure novel. I prefer it infinitely to Ian Fleming, who also cultivated expertise—though much more self-consciously—or to Hammond Innes. *Tunnel War* deserves a big success, and a film. It is exciting and intelligent all the way through, and never pretends to be other than it is. Don't miss it.

The Crescent and the Cross is a piece of what may fairly be called regular historical fiction; it is about the Siege of Malta in 1565, but might as well be set at any time and any place—which is not to say that the author has not worked at her sources. The female characters struck me as resembling those types of nurses in modern romantic fiction who marry neurotic, rich surgeons (are there any poor surgeons? I hope not), and the males are incredibly tough. It reads clearly, though.

Believing in Bhutto BY CHRIS SHERWELL

Bhutto: A political biography
by Salmaan Taseer. Ithaca Press. £9.50 (paperback £3.50), 208 pages

Pakistan under Bhutto 1971-1977
by Shahid Javed Burki. Macmillan. £15.00, 245 pages.

Zulfikar Ali Bhutto of Pakistan would be a Third World political leader worth knowing about even if he wasn't one of the few heads of state ever to be tried by a civil court and executed for a murder committed while in office.

But it was indisputably the manner of his going—its dubious legality, its inexorable course and its utter mockery of international opinion—which brought him to the full attention of the world and which said most about the man and the problem-riddled country he did so much to shape.

The greatest disappointment of these two books is their refusal to acknowledge this. Neither author explains in sufficient detail why and how a man who deserves to have a book written about him also came to be hanged by the neck. It is a blind spot shared by Western politicians today as they shower attention on General Zia-ul Haq, the man who gave the final execution order.

Salmaan Taseer is in fact generally indiscriminate in apportioning weight to events in Bhutto's life, and to his achievements too. Not only are Bhutto's last months not dwelt on sufficiently; the lessons of his earlier miscalculations are inadequately emphasised, and what Bhutto himself regarded as his greatest success—the development of Pakistan's nuclear capability—is given precisely two paragraphs.

The book is nevertheless valuable for the fascinating personal information it contains on Bhutto and his family background. The reasons people found him an enigma is left open to little doubt. And if Mr. Taseer does not fix the true extent of Bhutto's responsibility in such controversial matters as the opening to China, the loss of Bangladesh and the insurgency in Baluchistan, he at least conveys the sense of why people either loved him or hated him so intensely.

If Shahid Javed Burki's style is stunted by the demands of his discipline as a political scientist, the thrust of his analysis is not. Though his book lacks much of the vital colour of Bhutto's background, Burki has a keen understanding—with one exception—of the peculiar conflict of interests that constitutes much of Pakistani politics.

Bhutto, says Burki, had the strategy but not the tactics; he used the wrong policies to achieve the right objectives. Burki explains how Bhutto, a member of the landed aristocracy, won the political support of influential leftists and the electoral support of workers and peasants with his socialist rhetoric. He describes how, in dispensing with this backing when his policies didn't work and then looking to the landed interests, he still fell between two stools by forgetting the alienated merchant middle classes who eventually rose against him.

It is an argument which many experts on Pakistan now accept. But unfortunately we are told too little of the personal relationships which operate as an all-important component of Pakistani politics. Bhutto's appointments and reshuffles, his changing perceptions of who his friends and enemies were, were his undoing. It was he, after all, who made General Zia chief of army staff over the heads of several other generals.

Zulfikar Ali Bhutto is remembered now both as a progressive who went awry and as a landed aristocrat who couldn't escape his upbringing. But history has yet to cast its final verdict on his rise and fall.

Rich and lonely whizz-kid BY ALAN FORREST

The Life, Legend and Madness of Howard Hughes
by Donald L. Bartlett and James B. Steele. André Deutsch. £9.50, 687 pages

The more I read about the tragedy of Howard Hughes, the more I'm convinced that it wasn't a tragedy at all. It was more a Jonsonian dark comedy, packed with humours and panders and pimps and office seekers and toadies.

Picture the great man himself, lying in bed at the Beverly Hills Hotel, naked, unshaven, unbathed, clicking his two-inch toenails at a circle of devoted doomwatchers, dictating letters about his will and about how to serve him a can of fruit without spreading germs, while his wife, film actress Jean Peters, couldn't even get the Hoover into the bedroom to demolish the rising heaps of dust under the bed.

Once he relented, insisting only that the dust was left on the television set, on which he watched second-rate movies until dawn. I don't know whether Mr. Hughes, in his broken years at college, ever read *Volpone* in Eng. Lit, but he certainly took that comedy hero into the realms of farce.

Such a lot has been written about Hughes. This book is about 200 pages too long, but the American authors, "winners of 17 major journalistic awards," have dug so well and have tried so hard that it deserves critical respect.

He was the classic whizz-kid, but whizzed fitfully. The authors point out that his career as a businessman was really a tale of disaster. If he had banked all his earnings from the Hughes Tool Company, Barlett and Steele say, and lived on the interest, he would have died a richer man. Well, maybe you could say that about the Rockefellers, too.

But that wasn't the Hughes way. A millionaire at 18 (inherited wealth, his parents conveniently dying young and leaving him the growing tool company), he quickly bought out his grandparents and other family interests and turned it into a one-man band.

Through his business life, he always tried to be a one-man band. He was a kind of genius; he could design beautiful aeroplanes, but when it came to production, things always seemed to go wrong. Millions of dollars, much of it U.S. Government money, was spent on his World War Two wooden-structured flying boat which never flew, except on tests, and led to a Senate inquiry involving the President's son, Elliott Roosevelt.

He flirted heavily with the movies—and even went to bed with them. His famous World War One flying epic, *Hell's Angels*, which introduced Jean Harlow to cinemagoers, lost him $5m. When, after World War Two, he took over RKO, one of Hollywood's top producing companies, he wrecked it—probably because he insisted on running things himself and refusing to listen to professionals such as Dore Schary, the colony's top production chief who left Hughes in disgust to join MGM.

He was always thought to be apolitical—few of his close associates ever knew whether he voted Republican or Democrat. But his one great excursion into politics was when, running RKO, he took a vicious anti-Communist line and fired and hounded a director of one of his films who had pleaded the Fifth Amendment before one of the investigating committees.

Whizz-kid, he was. He was also as nutty as a fruit cake. When the decline into drug-addiction and squalid madness began isn't quite clear. He had always been a lonely introvert—perhaps it was all part of being a one-man band.

He lived a rich man without friends. He died a rich man without them. Perhaps he didn't need them. He treated old colleagues shockingly. He even ignored eager Wall Street investors vying to save an ailing section of his business empire. Maybe Howard Hughes had style. But the tragedy of this book is that, with all his millions, he never seems to have been happy, nor ever said anything memorable, which is worse.

SF now BY RAY LARSEN

Blind Voices by Tom Reamy, Sidgwick and Jackson, £5.95, 254 pages

The American mid-West in the 1920s is the sleepy, rural background for this disturbing fantasy. A travelling freak show presided over by its sinister owner, Haverstock, trails a small town during a hot dusty summer.

The local rustics at first dismiss the show put on by the weird, mythological performers as the antics of charlatans. But it soon becomes apparent that dark forces are at work. Inexorably the town is enmeshed in the nasty schemes of Haverstock and the tragic lives of the creatures who are dominated by him.

Reamy skilfully builds up an atmosphere of oppressive menace where violence flickers like summer lightning. It results in one of the most gripping fantasy novels since the best work of Ray Bradbury in the 1950s and 1960s.

The Second Trip, by Robert Silverberg, Gollancz, £4.95, 185 pages.

In the 21st century society has developed a new way of dealing with hardened criminals. Instead of the noose or the electric chair the personality is erased and a new one cut in its place.

Things get nasty when traces of the old personality linger on, particularly when it is that of an erratic artist who also happened to be an insane rapist. A tense variation of the Jekyll and Hyde theme is played out as the two characters in one body struggle for supremacy.

HOW TO SPEND IT

by Lucia van der Post

In Good Heart

THE VALENTINE bandwagon continues to roll. Each year I'm amazed at the growing range of offerings designed to lure the shopper into the impulsive, costly, romantic gesture. As almost nobody I know (except my son who always gets a flurry of cards) either gives or receives anything very much I can only assume there is a whole other world out there that I know not of. Certainly the manufacturers and the stores are full of ideas ranging from the inexpensive and slightly joky (which seems to me much more appropriate to the event) to the outrageously expensive and sentimental. Here, for those who are more romantic at heart than I, are a few of this year's suggestions.

For Londoners, The Chicago Pizza Pie Factory at 17 Hanover Square, London W1, is making a speciality of the day by producing heart-shaped pizzas which can be delivered to any address in London (or, sent by Red Star to any part of England). The pizzas cost £5 each and are, I'm told, more than enough for two hungry lovers. The pizzas can be ordered with all the usual fillings—sausage, pepperoni, mushrooms, onions, and so on. All heart-shaped pizzas must be ordered and paid for before February 11—ring the restaurant on 01-629 2552. If you happen to be eating in the restaurant that day you can order, if the idea appeals, heart-shaped garlic bread.

♥

So much does the fashion for giving presents on St. Valentine's Day seem to have snowballed that Banhams, the auctioneers of Montpelier Galleries, Montpelier Street, Knightsbridge, London, SW7, has included a number of heart-shaped and other romantically inspired pieces of jewellery in their sale being held on Friday, February 8.

If you think you might be interested you can buy (or order by post) their catalogue for £1 (15p p+p). Prices obviously can only be estimated but anything on the heart-shaped theme seems to be quite highly priced so don't go along unless you're prepared to pay between £400 and £600. There are, of course, plenty of other pieces of jewellery or what the gallery calls Objects of Vertu, at lower prices, some starting at about £40.

♥

Mel Calman's gallery, The Workshop, at 83 Lambs Conduit Street, London WC1, is always a joy to visit, and he usually has a special Valentine's Day exhibition at which it is possible to find something witty, amusing or just romantic. This year he has a collection of etchings and cartoons, all originals, all on the Valentine theme. The exhibition opens on February 7, goes on until February 14, and prices start at £15 and go up to about £50. The gallery is open from 10.30 am to 5.30 pm on weekdays and from 11 am to 12.30 pm on Saturdays.

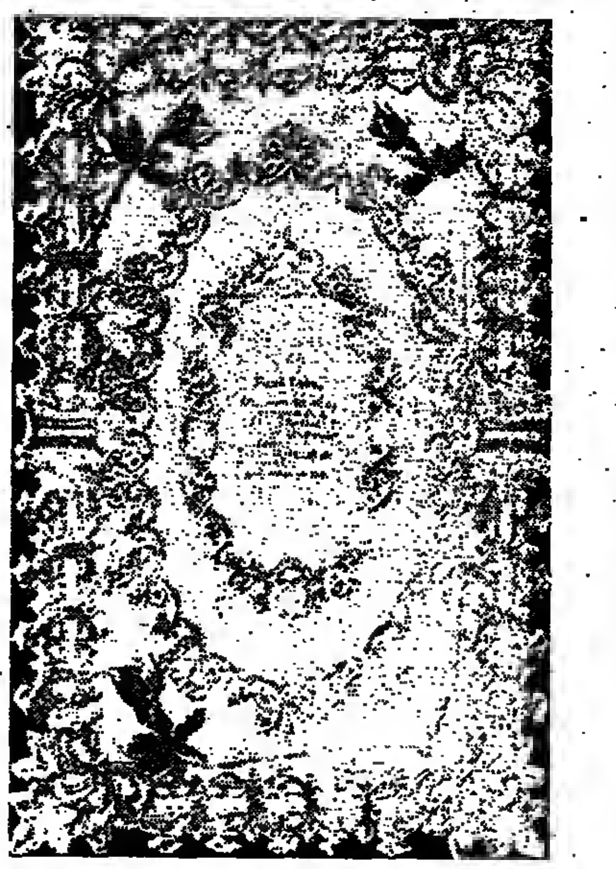
For pop-loving friends—a 7-ins picture disc, packaged in a Valentine card, with Alan Price singing "Love You True." £1.25 from Liberty, Regent Street, London W1. Also from Liberty—a heart-shaped bag, made in Liberty print fabric with a hearts and flowers design, which holds three pairs of tights in this season's colours. £5.25.

♥

Lovers of antique jewellery who aren't able to think in terms of Bonhams' prices might like to browse about in antique shops. Several of the jewellery stands in Grays Antique Market, Davies Street or in Grays Mews just off Oxford Street (near Bond Street tube station) are selling antique items that particularly relate to romantic themes. For instance, Abacus, in Grays Antique Market has an ivory heart pendant for £22. Willy in Grays Mews has an Edwardian 15 carat gold heart and wings with a single pearl for £38. If you prefer to send something a little less expensive you can browse among the stalls for Victorian Valentine cards—I've already said elsewhere on the page how much more charming than modern ones I think they are. There is a large selection at prices ranging between £5 and £15.

♥

Elle magazine, that great French weekly, had some charming, inexpensive ideas along the heart theme some months ago. For a Valentine Day dinner it might be fun to serve a salad of hearts (artichoke, palm, lettuce) in those little heart-shaped dishes that most good-class kitchen shops now sell. Little packs of sticky hearts (as sold, for instance, by The Danish House) can be used to liven up paper cups. Heart-shaped baskets can be used to hold the bread-rolls and, finally, the magazine suggested making your own heart-shaped evening bag by using a cardboard cut-out of a heart-shape as a pattern, using four pieces of heart-shaped satin (two sewn together make one side) and ready-made satin cord (twisted) as the border and handle. Good luck!



As if we needed any reminder of how the art of designing and making cards has deteriorated over the last hundred years or so, Judith Holder has brought out an enchanting book, see illustration above, full of irresistible examples of the Victorian Valentine card. Their messages obviously belong to another more gentle, more sentimental age. For instance, I am much taken with the one the author chooses to end with:

"Oh, never let thine eye grow cold,
Thy cherished voice grow rude to me;
But let thy lip, as oft of old,
Still smile on me."

If you can't quite bring yourself to send any similar message directly to the loved one, perhaps this little collection, called simply Sweethearts & Valentines, would make conveying the sentiment a little easier. By Judith Holder, published by Webb & Bower, it is £2.50 and is a total visual delight.

Another tiny little present—just a token acknowledgment of the day, so to speak—is a little red box with "I Give You My Heart" printed in pink lettering around the outside. Inside is an equally tiny heart-shaped piece of soap on a red satin thread, nestling in pink tissue.

At around £1.60 a box it doesn't cost much more than some of the elaborate cards, but is very appealing. Many good gift shops stock it or you can order it by mail direct from Happy Things, 48 Millgate, Newark, Nottinghamshire for £1.65 (15p p+p). Happy Things guarantee to despatch immediately.

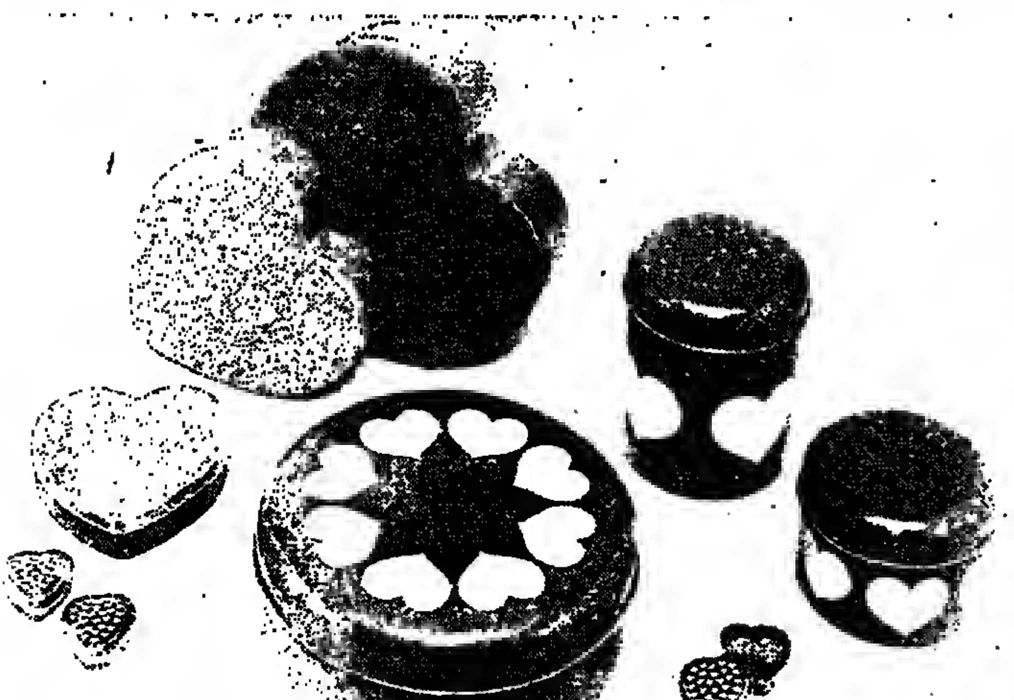
♥

Whereas hearts are normally fashionable only round about Valentine's Day on February 14 I notice that they have become increasingly popular as a year round theme in the fashion world at least. Currently little heart-shaped bags, slung on twisted satin threads and worn hung on one side, are very popular. There are also belts with little heart-shaped tassles at each end, necklaces made in a similar way and anybody who is so besotted with the heart theme that they feel like paying a great deal of money for a handbag of exceptional quality should go along to Baguette, a new shop specialising in French fashion of all sorts. It is currently selling some very pretty bags, either in black suede with a red suede heart, trimmed and lined in red or the same design but in black suede trimmed with gold and carrying a gold kid heart in the centre. The bags are £76.50, the shop is at 145 Knightsbridge, London SW3.

♥

My idea of the almost perfect Valentine present—small, sweet, useful and very inexpensive—is a little red tin, with a white plastic see-through top, in which nestle four tiny magnetic red hearts. Each heart, being magnetic, will hold a piece of paper against something like a fridge door or a cooker so that they make a very easy way of communicating by message ("Do not eat the cheese-cake!" or Dinner's in the oven" etc.). £1.16 (16p p+p) (for the tin from Cucina at 8 Englands Lane, London, NW3, and at 4 Ladbroke Grove, London, W.11.

♥



I love tins and boxes of all sorts and this particular selection, from The Danish House, 16 Sloane Street, London, SW1, would have a use that would outlive St. Valentine's day. As shown in the photograph left, the round large cake tin (21 cm diameter) is £1.40 (50p p+p), the two cylindrical canisters are 95p for the larger (14 cm high) and 75p for the smaller (8 cm high)—they can be posted for 50p and 40p respectively. The tiny red heart-shaped tins are 20p each (30p p + p) while the set of three hearts are £2.95 for the set (65p p + p).

If you are able to get along to The Danish House itself there are many other items like a bumper pack of 70 napkins with red hearts all over them for £1.85, trays in red and white from £1.10, ribbons and candles. There are also bundles of hearts from little sticky ones (100 for 45p) to six big ones (99p) to tie onto dresser, mantelpieces or anything else you fancy.

♥

A bit formal for my taste but the glass above is full lead crystal and many people may take to the two little doves engraved on the side. If you order now there is time to have it initialled with two initials in time for THE DAY. The St. Valentine's goblet is by Dent Glass, measures 6 ins high, 11½ ins circumference and costs £15.80, including postage and packing. However, the engraving of initials normally takes three weeks—in order to have it engraved and delivered within a week of Dent Glass receiving your order you will need to have the Priority Service which is an extra £1.85. Order the glass from Dent Glass, Risehill Mill, Dent, Sedbergh, Cumbria, England.

After the gold rush

WAY BACK in September last year gold rose to the unimaginable heights of $400 an ounce. Jewellers, bullion dealers, the ordinary man and woman in the street were all reeling at the news. It was at that point that I looked at the state of the market and discovered after talking to several jewellers, at all levels, that anybody who was thinking of buying gold jewellery should do so there and then as it was their considered opinion that the trade's traditional slowness to mark up stock would mean that, at least until Christmas, there would be some "bloody good bargains around."

There were indeed but none of us suspected quite how good until we saw where gold was going in the New Year. Gold, as I write, stands at $670 an ounce.

So, supposing you would really like a piece of gold jewellery (and I am talking here to people who would like to buy it for its decorative or aesthetic appeal and not primarily for investment purposes, which is quite another matter) what should you do now? Should you buy, in case prices go higher later on, or hold on, hoping that the price of gold will come down?

Nobody seriously seems to think that gold is going to fall drastically in price. It is today lower than it was last week when it reached an all-time peak of $850 an ounce but this looks like just a temporary fall and every new shudder on the international scene, every uttering of an Ayatollah or extra Russian tank that moves across a border, affects the demand for gold.

If you move very fast there are still ways of buying gold jewellery at what are still probably unrepeatable bargains. My immediate thought was to search through the mail order catalogues—almost all the large companies pride themselves on the fact that they never put up their prices during the life-span of a catalogue, that they never run out of stock. As a spokesman for Empire Stores put it "We could put up our prices, there's nothing to stop us. But it's not desirable. It's not nice. The mail order business is a family affair, and we don't like to play the market in someone's front room."

Take a look at its latest catalogue. A new one came out at the beginning of January which went to press six months ago when the price of gold was about $300 an ounce. Empire Stores has only raised the price of Krugerrands and sovereigns (and who can blame them?). Anybody buying either of the two is sent the item free, on approval, with a notice of the price increase to accept or reject as the customer wishes. All the other jewellery is still being sold at the stated prices for as long as stock lasts.

You won't find any major design excitements among the six pages of rings, four of bracelets, lockets, chains and the like, but if you wanted a simple gold chain, or bracelet you would certainly find them at prices that are hard to beat.

Littlewoods' latest catalogue came out in early January and went to press on prices last October. It is holding prices as long as stocks last but the company reports a steady stream of canny buyers who have cottoned onto the fact that mail order catalogues like to keep faith with their customers. Again there are no truly innovative designs but plenty of plain gold wedding-rings, cluster rings, chains and bracelets, mainly in 9 carat gold.

Grattans current catalogue also went to press last October and though the company has raised prices throughout the catalogue by 3 per cent, jewellery has no extra surcharge, as yet.

Argos, which has found its jewellery increasingly popular and accounting for a larger and larger share of its turnover, has a new catalogue coming out on February 11. The prices of gold and silver in that issue will be on average up by 30 per cent on those in the current catalogue (though Argos points out that this is infinitely lower than the market rise in the price of gold). Already in the Argos shops some prices have been put up (mainly on items which use a comparatively high proportion of silver and gold, such as gate bracelets), sometimes the prices have been doubled but there are also many items, like most of the ear-rings, which are still selling at the stated price.

Once again the choice of designs is fairly standardised—masses of earrings from the simple to the flowery, chunky bracelets, chains and a huge assortment of rings of all sorts.

So if you're looking for gold jewellery there are still good buys about, but be quick. One retailer told me that it is impossible for all retailers to mark up their stock adequately and completely and most jewellers should still have several very good bargains around. He felt that those interested in the intrinsic value of the gold should learn to gauge the weight of the piece they like—"On the continent gold is nearly always sold by the gramme whereas here people just buy an aesthetic appeal." He feels there is likely to be, in future, a greater premium on design and those items which have a high design content but a lower intrinsic gold content are obviously going to rise correspondingly less.

Many people have forgotten that silver has actually risen, in comparative terms, even more than the price of gold. Silver was £8 an ounce in August, 1979, now it is £21 an ounce. This means that anybody needing to replace their cutlery should do so now. Solid silver cutlery, it is predicted, will become a thing of the past. A solid silver spoon will cost soon in the region of £120.

If you can find anybody with a stock of silver-plate and you need it you should buy it now. Twenty-five per cent of the cost of silver-plate is the silver — 12 silver-plate spoons require two ounces of silver (that is £40 worth of silver), so it can't be long before those prices rise greatly, too.

If you are thinking of having your ears pierced and have been dithering, don't dither any longer. I had mine done last July when a pair of gold "sleepers" cost £4. A realistic price today would be nearer £10. I lost mine and went back to the shop to buy another pair — I was charged £5. Another case, clearly, of a bargain, because the shop hadn't got round to assessing the value of its stock accurately.

Finally, remember to have your jewellery revalued and reinsured or, if you lose any of it, you will be horrified at how little the insurance seems in comparison to the replacement cost.

Just to bring home to you what the rise in the price of gold means to the ordinary man or woman in the street who fancies a piece of gold jewellery, we asked Booty Jewellery of New Bond Street, London W1 to give us the pre-Christmas prices and today's prices of the jewellery photographed on the model, above. I will give to-day's prices for the jewellery, assuming it is made from 9 carat gold and to arrive at the pre-Christmas price you simply halve the figure. The choker necklace is £800, the next chain down is £160, the next one £850, the last one is £780. The bracelet is £1,600 and the ear-rings £160.

ARTS

Twenty years later . .

"Did Hamlet's father haunt no more the battlements of Elsinore? Does Lady Teazle never call at Lady Sneerwell's now at all? Will Aubrey take a wife one day. Another Mrs. Tanqueray?"—so mused that forgotten playwright of the 1890s St. Joho Hankin and in thus musing wrote a string of playlets in answer to his questions. I am not sure if any of them have been done on radio; if not they might be worth drawing to the attention of the gurus of the Script Department. I suspect that one or two might broadcast rather well. Certainly. *Dramatic Sequels* (as St. John Hankin called the volume in which they were collected) are all the rage on radio these days. That prolific radio playwright, William Fox who appeared recently as

RADIO

ANTHONY CURTIS

Gerald in the revival of *The Family Reunion*, seen last year in London has, I hear, penned a continuation of T. S. Eliot's drama tracing the fortunes of Lord Monchensey after he left Wisbwood accompanied by the bright angels. The plan is to broadcast it in the same week as the original. I am curious to learn what Mr. Fox thinks happened to Harry.

The same operation was performed this week on *Three Sisters*. From Radio 3 on Sunday we heard a re-broadcast of John Tydeman's durable 1965 production of the Chekhov play with Paul Scofield, Jill Bennett and other such starry people. It was followed on Monday by *After Moscow* (Radio 4 UK, January 28) in which Arnold Yarrow filled us in about the lives of those three sad, soulful ladies after the Regiment had departed. He assumed a gap of almost 20 years at which momentous point in time for Russia he was able to blend the world of Dr. Chekhov with that of Dr. Zhivago. Olga, Irina and Masha still possess the spacious country house left them by their father General Prozorov; it is more a house of regrets now than it ever was. The place is being managed by Masha's abrasive son Boris, with his pretty sister Sofia to help him look after his mother and middle-aged aunts when they come to stay. Olga is the principal of an academy for enlightened young women, and Irina has, you will be shocked to hear, married Solyony after he killed Tusenbach in a duel. Needless to say the sisters' visit to Moscow did not bring them much joy. They seem to have found it even more tedious than life in the country. "Don't speak of my happiness," Masha warns Vershinin. "I buried it in that garden all those years ago."

Yes. Vershinin is now a General and still on the active list, but fighting a losing battle against the Bolsheviks. He continues to harbour the flame kindled 20 years ago and now re-kindled by the sight of Masha in the autumn of her life. He has descended on her fortuitously at the same time as her sisters. Undoubtedly he has mellowed with the years but has if anything become even more of a bore, spouting bogus philosophy and offering ineffectual bromides.

Even so, the scenes between him and Masha were rather touching as spoken by Timothy West and Isabel Dean who led the cast in Christopher Venning's production. They all showed unquestioning faith in the credibility of what they were doing. I too found myself suspending disbelief as I was listening and enjoyed observing with my mind's eye the deftness with which the author picked up all the threads and wove them into a new pattern. Bits of it even sounded as if they might have been translated from the Russian.

This week's *Analysis* (Radio 4 UK, January 30) took the form of a 45-minute conversation between Michael Charlton and the Rt. Rev. Robert Runcie who will be enthroned as Archbishop of Canterbury next month. Charlton's approach was polite but probing, keeping up the pressure the whole time, and obtaining some fascinating insights into the mind of the new Primate. In the manner of a practised disputant, Dr. Runcie produced fairly subtle responses at speed with occasional tiny hesitations, as if the computer needed a second or two in order to re-programme itself for the next issues. Charlton played the Norman gambit in his opening moves (the view stated by the Dean of Peterhouse in his Reith lectures that the Church has become politicised, or as Charlton put it, "caught up in a secular scramble").

The Bishop's Defence was that in a period of moral confusion there could not be "some short-cut back to old standards" and that he was emphatically not opposed to the political implications of Christian beliefs being pursued.

'Irish Scene' by Josef Herman

Josef Herman

BY WILLIAM PACKER

The major retrospective is a tricky affair for any artist, irresistible flattering an opportunity, of course, but also daunting and even dangerous. The timing is all: too soon and the case may well be overstated, too late and might smack of the obituary. And there is always the work itself, perhaps impressive enough when caught or remembered as single spies, but, once brought together, not quite so, throwing up unevenness and inconsistency, weaknesses and doubts.

He is a brave man who takes it upon himself, and Josef Herman, who has now exposed himself in just this way to a late and perhaps painful reappraisal (Camden Art Centre until March 2), is evidently a brave and honest artist. And if his show does demonstrate certain weaknesses and faults, it also celebrates considerable qualities, both of personal vision and humane concern, and of actual achievement: it is indeed, taken as a whole, a personal vindication, and a modest but decided triumph.

It is also a surprise, for Herman long ago confirmed himself in his particular and readily identifiable pictorial tricks and mannerisms, and we have grown so used to them that we have all but stopped looking at what he does and has done, dismissing him rather by familiarity and old prejudice. Certainly we would seem to have forgotten just how strong is the work of his early maturity, which preceded and prepared his foibles and our assumptions, fresh, natural and unaffected. It is always salutary to be made to look afresh, and to admit that something is significant which we had forgotten or disregarded.

Thus the emphasis in this exhibition is rightly placed on what he did in the first 15 years or so after his arrival in this country in 1940, a refugee from Warsaw by way of Belgium and France. His work in the mining communities of South Wales during and just after the war is especially impressive, the paintings simple and monumental, the drawings equally so and some of them very fine indeed, quite as good as anything else of the time and bearing direct comparison with Henry Moore's work underground.

He stands directly in the great tradition of artists whose essential subject is the integrity of Man, and the dignity of his labour, Courbet and Millet for example. Yet his treatment of such deep matters was natural and unforced, neither over-literary nor openly polemical.

And the general influences upon his work at this time he declared with equal ease and directness, whether it might be Ensor or Van Gogh, Chagall, Picasso or African sculpture at the particular point.

Herman is now nearly 70, and it must be said that his work of the past 20 years or so, what we see of it here at least, is by no means so impressive. His subject-matter remains largely the same, though peasants, farm workers and fishermen take their turn in place of the miners; but his implied but nonetheless palpable involvement of himself with them in their lives seems to slacken, to become a matter for formal consideration, a pictorial excuse rather than a primary justification.

The pictorial devices themselves grow arbitrary and self-conscious, the handling and colour crude rather than simple or direct. But these are comparative judgments, made within the context of an exhibition that itself makes the scope and nature of his achievement very plain: he its a true artist who, for a while, was very good indeed.

Some of that old freshness and vitality remains in his smaller works, of which Theo Waddington is showing a small but good selection (until February 9).

Arms and the Man

BY ANTONY THORNCROFT

Shaw placed *Arms and the Man* firmly among his Plays Pleasant and the Cambridge Theatre Company, in selecting it for its tenth anniversary production, has, in a celebratory mood, concentrated on the most light hearted aspects of this agreeable comedy. In 1894 the original audiences were ready to be shocked by Shaw's natural perversity in making a coward the hero; the brave officer a fool; and love a matter of whim. Today we take such ideas for common currency and enjoy the discomfiture of idealists.

Anyway the pace of Jonathan Lynn's production (currently at the Arts in Cambridge and then on tour to Poole, Brighton and Croydon) ensures that the arguments limp a long way behind the jokes. From the moment that pretty Raina Petkoff, played by even prettier Elizabeth Garvie, sits up in bed in the only house in Bulgaria with a library waiting for the inevitable fugitive from the battle of Slivnitza to seek refuge we are firmly in Ruritania and when the escaping officer turns out to be a Swiss mercenary who carries chocolates in his cartridge case, the scene is set for an over-turning of all Victorian values.

James Bolam plays Captain Bluntschli, heir to the biggest hotel chain in Switzerland, as a bemused realist, quite amazed at the posturings of the Bulgarian aristocrats with an ancestory stretching back all of 20 years. By the end the Petkoff household and Major Sergius, his beaten rival for Raina's hand who became a national hero after his horse bolted towards the enemy in the battle, agree with his cynical common sense: "war is a hollow sham, like love."

Shaw covers a great deal of ground in *Arms and the Man* and by settling for pretty costumes, pleasant sets, and broad acting some of the shading is lost in this production. It is hard to take Sergius and his dented idealism seriously when he is played by Malcolm Sinclair as a John Cleese caricature — tall, moustached, blank stare and all and the second act is very close to farce, which pleased the audience more than it might please Shaw. There is depth to this comedy of manners, especially where Sergius bends the knee to the demands of his honour and agrees to marry Louka the maid he has flirted with, and too superficial a gloss deadens the point.

But with some first class acting, especially from Bolam, who under-plays Bluntschli beautifully, and from Elizabeth Garvie, although Shaw gives her few opportunities after the bedchamber scene, and a happy feel among the company, this is a thoroughly enjoyable romp, quite devoid of Shavian earnestness and little the worse for that.

Say 'Jack Robinson'

A London businessman paid £3,200 at Christie's yesterday for a portrait of the Rt. Hon. John Robinson, the originator of the phrase "Before you can say Jack Robinson." He was an 18th century politician, a favourite of George III, and Surveyor General of Woods and Forests, the planter of millions

SALEROOM

ANTONY THORNCROFT

of acorns and 20,000 oaks at Windsor.

The same price was paid by Ackerman, the London dealer, for a set of four pictures of mail coaches by Alken, while an anonymous buyer gave £1,800 for a scene from classical mythology by Albano.

Silver remained in strong demand at Phillips, with only three of the three hundred lots left unsold. A Victorian/Edwardian part dinner service of 30 plates, weighing 575 ounces, made the top price of £9,000. Other prices were also well above forecast. A Victorian kettle and stand by Robert Hennell, 1841, weighing 85 ounces, sold for £1,600 and a George III pear shaped coffee pot by Joseph Lock, 1778, realised £900. Five weeks ago it was bought in for £500.

The top price at Sotheby's was the £3,500 for a George III mahogany dining table of around 1820. A pair of Tabriz rugs of 1900 sold for £1,800.

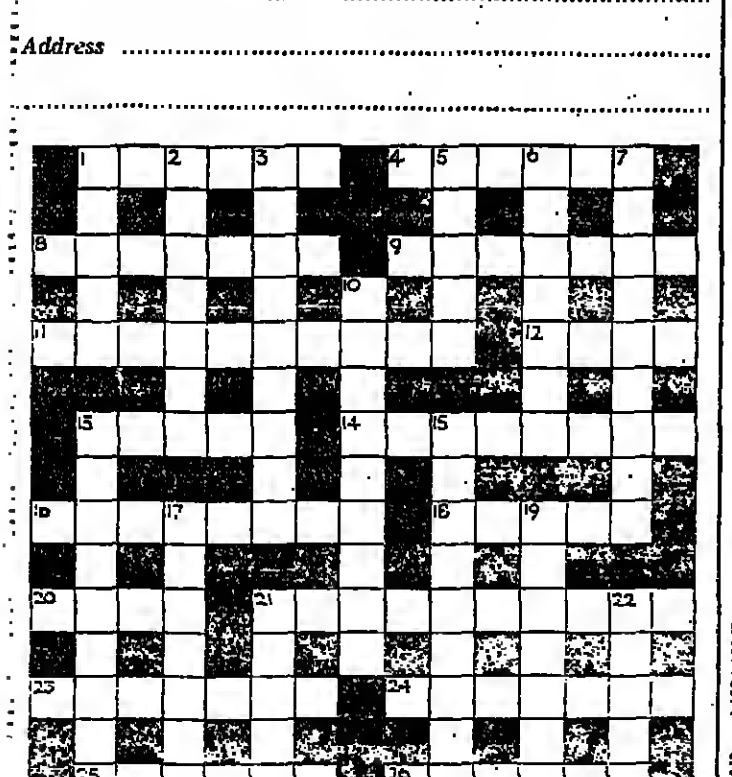
An art nouveau and art deco auction at Christie's, South Kensington, brought in £19,103. A Lalique bottle went for £1,900 and a pair of Kyserzinn candlesticks, probably by Hugo Leven, for £1,050.

F.T. CROSSWORD PUZZLE No. 4,190

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



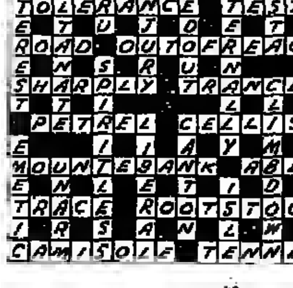
ACROSS

1 Unexpectedly appears with parent to eat in the evening (4, 2)
4 Service provided that mountain group (6)
8 Look left before the French beast appears (7)
9 Skytrooper gets party vote in self-contradiction (7)
11 Heavyweights through the ages in no hurry (4, 2, 4)
12 Stare at another page (4)
13 Blimey—soldier has a dog (5)
14 Flounce to hide downstairs (8)
16 Hamlet's character opposed to one student with beer (8)
18 Bird loses inch of fodder (5)
20 Hair style earns emphatic report (4)
21 Applaud getting organ boy to see . . . (4, 4, 2)
23 . . . that white key is unaffected (7)
24 Given up being loyal (7)
25 Join up two points on roll (6)
26 Pressing drive on National Trust (6)

DOWN

1 Squad of soldiers losing on philosopher (5)
2 Person decreasing newspapers on the Queen Elizabeth (7)
3 Elevation improving one's moral sense (9)
5 Saw notice on time (5)
6 Bridge broken leg with bit of glitter (7)
7 Trick demonstration incapable of misuse (9)
10 Retaliation for Cockney headgear (3, 3, 3)
13 The finest service from church in a Herts town (9)
15 Noise ever associated with protectionist (9)
17 Attempt to tease member with influence (3-4)
19 Loch a number find frightening (7)
21 High quality third-rate girl (5)
22 Remaining with East-end public (5)

SOLUTION TO PUZZLE No. 4,189

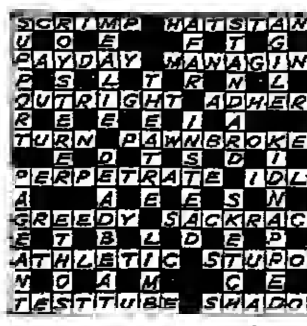


Solution and winners of Puzzle No. 4,184

Mrs. Carol Dearlove, Kennels Farm, Barking, Needham Market, Suffolk.

Mr. W. Frame, 96 Devon Close, Perivale, Greenford, Middlesex UB6 7DG.

Mr. L. Wilkes, Hycroft, 20 Burrow Hill, Plymstock, Plymouth PL9 9LE.



TV Radio

BBC 1

† Indicates programme in black and white

7.40 am Open University (Ultra High Frequency only). 9.05 Better Badminton. 9.30 Multi-coloured Swap Shop. 12.12 pm Weather.

12.15 Grandstand: Football Focus (12.20); Show Jumping (12.55, 1.10, 4.20); Athletics (1.30); Darts (2.00); 4.35); Great Britain v Federal Republic of Germany; Cricket: Australia v England (2.10); Rugby Union (2.25) France v England, and at 4.00 Ireland v Scotland; 4.45 Final Score.

5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 Wonder Woman.
6.35 Jim'll Fix It.
7.10 All Creatures Great and Small.
8.00 The Dick Emery Show.
8.35 Dallas.
9.25 News.
9.35 Match of the Day.
10.35 Parkinson with guests.
11.35 Natalie Cole with guests.

All Regions as BBC-1 except as follows:—

Wales—2.25-4.20 pm (Grandstand) Rugby Union: Ireland v Scotland) and at 4.00 France v England (highlights). 5.45-5.50 Sports News Wales. 12.25 am News and Weather for Wales.

Scotland—2.25-4.20 pm (Grandstand) Rugby Union: Ireland v Scotland and at 4.00 France v England (highlights). 4.55-5.15 Scoreboard. 5.45-5.50 Scoreboard. 9.35-10.35 Sportscene. 12.25 am News and Weather for Scotland.

Northern Ireland—2.25-4.20 pm (Grandstand) Rugby Union: Ireland v Scotland and at 4.00 France v England (highlights). 5.05-5.15 Scoreboard. 5.45-5.50 Northern Ireland News. 12.25 am News and Weather for Northern Ireland.

BBC 2

11.40 am-12.30 pm. Open University.
2.05 Saturday Cinema: "Beau Brummell," starring Stewart Granger and Elizabeth Taylor.
3.55 Play Away.
4.20 Tea With Miss Pym: 1977 "Book Programme" film about novelist Barbara Pym.
4.45 Horizon Special.
5.45 Mr. Smith's Indoor Garden.
6.10 Open Door.
6.40 Cricket: Australia v England (highlights).
7.10 News and Sport.
7.25 Top Table.
†8.00 Gangster Movie: "Bullets Or Ballots," starring Edward G. Robinson and Joan Blondell.
9.20 Animated Conversations.
9.25 "An Enemy Of The People," by Henrik Ibsen.
10.50 News on 2.
10.55 Darts: The Embassy World Professional Darts Championship.
11.45 Midnight Movie: "A Kiss Before Dying," starring Robert Wagner and Joanne Woodward.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.

12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sport Special (part 1) Cyclo Cross, from Switzerland; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown; 1.45, 2.15 and 2.45 from Stratford; 3.10 International Sports Special (part 2) Monte Carlo Rally, plus Cliff-diving from Acapulco; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.

5.05 News.
5.15 Oh Boy!
5.45 Happy Days.
6.15 Stars in Action: "How To Steal A Diamond," starring Robert Redford and George Segal.
8.15 The Faith Brown Chat Show.
8.45 Enemy At The Door.
9.45 News.
10.00 Heartland.
11.00 Saturday Night People.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Personal choice with Diana and Yehudi Menuhin.

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Play Guitar. 10.05 Kum Kum. 6.45 pm Mork and Mindy. 8.15 Saturday Film: "Walk Don't Run," starring Cary Grant and Samantha Eggar. 12.30 am At the End of the Day.

ATV

9.10 am A Better Read. 9.35 Play Guitar 11. 10.00 Clue Club. 5.45 pm Mork and Mindy. 6.15 Miss ATV 1980. 8.30 Saturday Cinema: "Raid on Rommel" starring Richard Burton. 11.00 The Late Night Movie: "Never Let Go." starring Richard Todd and Peter Sellers.

BORDER

9.00 am A Better Read. 9.30 Play Guitar 11. 10.00 Friends of Man. 6.15 pm Saturday Night at the Movies.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 6.45 Mork and Mindy. 6.15 Cartoontime. 12.25 Feature Film: "Above Us The Waves." 11.00 Untamed World. 11.30 Barney Miller.

GRAMPIAN

9.08 am Bailey's Bird. 9.30 Sesame Street. 6.15 pm The Saturday Western: "One More Train to Rob," starring George Peppard. 11.00 Seachd Laithean. 11.15 Feature Film: "Code Name: Diamond Head." 12.40 am Reflections.

GRANADA

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 5.15 pm Cartoon Time. 5.30 Oh Boy. 6.00 Mork and Mindy. 6.30 Saturday Matinee: "Ski Lift to Death." 11.00 Saturday Premiere: "Sara T: Portrait of a Teenage Alcoholic." 12.45 am Second City Revue.

HTV

8.10 am Numbers at Work. 8.35 Lucan. 5.16 pm Doctors and Nurses. 5.30 Oh Boy. 6.00 Happy Days. 6.30 Saturday Cinema: "Raid on Rommel" starring Richard Burton. 11.00 The Late Film: "The Heroin Gang," starring David McCallum and Telly Savalas.

HTV Cymru/Wales—As HTV West/HTV General Service except: 6.00-6.30 pm Sion a Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 6.15 pm The Saturday Western: "One More Train To Rob," starring George Peppard. 11.05 Late Call. 11.10 Soap. 11.35 Luke's Kingdom.

SOUTHERN

8.45 am Play Guitar 11. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Superman. 6.15 pm "San Antonio," starring Errol Flynn. †11.05 "Grip of the Strangler," starring Boris Karloff.

TYNE TEES

9.00 am Saturday Shake-up. 9.05 Space 1999. 9.55 Saturday Shake-up. 10.05 Solo One. 10.30 Saturday Shake-Up. 10.50 The Saturday Movie "Silver Lode." 12.20 pm Saturday Shake-Up. 5.15 Cartoon Time. 5.30 Oh Boy. 6.00 Happy Days. 6.30 Saturday Movie: "Ring of Fire," starring David Janssen. 11.00 Police Story. 12.40 am Epilogue.

ULSTER

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 Cartoon Time. 5.30 Oh Boy. 6.00 Making It. 6.30 Feature Film: "She," starring Ursula Andress and Peter Cushing. 9.59 Ulster Weather. 11.00 Fantasy Island.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 5.18 Oh Boy. 5.45 Mork and Mindy. 6.15 Cartoontime. †6.25 Feature Film: "Above Us the Waves," starring John Mills. 11.00 Saturday Night in the West. 11.30 Barney Miller. 11.55 Faith for Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 Beachcombers. 9.40 Logan's Run. 6.15 pm Cartoon Time. 5.30 Oh Boy. 6.00 Happy Days. 6.30 Saturday Action Adventure: "She" starring Peter Cushing, with Ursula Andress and Christopher Lee. 11.00 The Saturday Night Film: "There's A Girl In My Soup," starring Peter Sellers and Goldie Hawn.

RADIO 1

(s) Stereophonic broadcast
†Medium wave

6.00 am As Radio 2. 7.00 News 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (s). 2.00 Paul Gambaccini (s). 4.00 Rock on Saturday (s). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket Third Test (report). 5.03 Tom Edwards (s) including 6.02, 7.03, 8.03 Cricket and 8.04 Racing Bulletin. 8.07 David Jacobs with Star Sounds (s). 10.02 Peter Murray's Saturday Show (s). 1.02 pm Stop the World. 1.30-6.00 Sport on 2: Rugby Special (1.30, 1.55, 2.35, 2.50, 3.05, 4.50, 5.30) France v England, Ireland v Scotland: League Football (1.30, 1.45, 2.40, 3.00, 3.25, 3.45, 3.55, 4.42, and 5.00, 5.45 classified scores): Racing from Sandown (1.30 2.25, 4.50, and at 5.45 classified check: Test Cricket (1.30, 1.50, 5.35) Third Test: Australia v England: Sports Report (5.0). 6.03 Europa 80. 7.02 Beat the Record. 7.30 Big Band Special (s). 8.02 Saturday Night is Gala Night (s). 9.00 The New Swingle Singers (s). 9.30 The Geraldo Orchestra (s). 10.02 Rolf's Walkabout (s). 10.30 The Cheeky Chappie. 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (s) including 12.00 News; and at 1.02, 2.02 Cricket: Third Test (report). 2.03-6.00 am You and the Night and the Music (s), including 3.02, 4.02, 5.02 Cricket.

RADIO 3

6.00 am Test Match Special († only from 9.20) Australia v England. 7.05 Saturday Overture (s). 7.55 Weather. 8.00 News. 8.05 English Chamber Orchestra (s). 9.00 News. 9.05 Record Review including Building a Library (s). 10.16 Stereo Release (s). 11.00 Robert Mayer Concert (s). 12.16 pm Bandstand (s). 1.00 News. 1.05 Schumann and Strauss Songs (s). 2.00 Play It Again (s). 3.00 Jazz Record Requests (s). 5.45 Critics' Forum. 6.35 The Classical Guitar (s). 7.20 Nicolas Nabokov. 8.00 Rozhdestvensky and the BBC SO concert, part 1: Sibelius, Rachmaninov (s). 8.45 Wordsworth. 9.05 Concert part 2: Dvorak (s). 10.00 Clarinet and Piano recital (s). 10.40 Byrd's Gradualia: Purification of the Blessed Virgin Mary (Candlemas) (s). 11.55 News. 12.00-2.05 am Test Match Special: Australia v England.

VHF only 6.20-7.05 am Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (s). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre (s). 3.30 Does He Take Sugar? 4.00 News. 4.02 God in my Language. 4.30 Time For Verse. 4.40 Submarine (s). 5.25 Week Ending (s). 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Otto Preminger. 6.55 Stop the Week With Robert Robinson. 7.35 Baker's Dozen (s). 8.30 Saturday-Night Theatre (s). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 The Philip Jones Brass Ensemble (s). 11.45 Shades of Night. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic; sport. 8.15 Weekend What's On. 8.30 London Country. 10.30 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM with Steve Wood. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Goot Mels. 8.00 Monty At Large. 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 6.00 Morning Music.

Capital Radio

3.00 am Kerry Juby's Breakfast Show (s). 8.00 Capital Countdown with Peter Young (s). 12.00 Kenny Everett (s). 3.00 pm Duncan Johnson's Afternoon Delight (s). 5.00 Greg Edward's Soul Spectrum (s). 3.00 David Rodigan's Roots Rockers (s). 9.00 Nicky Horne's Sin of the Seat (s). 12.00 After Midnight with John Sachs (s). 4.00 am The Collections (Classical Music) (s).

CHESS SOLUTIONS

Solution to Position No. 305

1...Q-N7 ch; 2K-K1, BxN; 3 PxB(3 QxB is similar), Q-N8 ch; 4 Q-B1 (4 K-K2, N-N6 ch; 5 K-B3, P-K5 ch), Q-K6 ch and White resigned because of 5 Q-K2, Q-B8 ch winning the rook.

Solution to Problem No. 305

1 N-K3 (threat 2 R-Q1 mate), KxR; 2 B-N2, K-K8; 3 B-B3 mate; or 1...K-N8; 2 R-Q1 ch, K-R7; 3 R-R1 mate.

COLLECTING

Has anybody here seen Kelly?

BY JUNE FIELD

ARTISTS' STUDIO sales, fairly popular in France, are less common in Britain; and at Christie's South Kensington sale on December 5 of the studio contents of painter Anton Lock (born 1893, died last year), the equipment, in some cases, made more than the paintings. It was a successful sale though, 100 per cent sold, and totalling some £26,000.

Christie's main auction rooms in King Street, St. James's, have a long record of studio sales, going back to the late 18th century when Gainsborough, a close friend of James Christie, sold the contents of his studio. In May, 1801, the saleroom presented "*A catalogue of the Genuine Collection of Pictures, being a Selection of the most capital Performances of that esteemed Artist, Mr. Joseph Wright of Derby, deceased.*" Other illustrious studio sales were those of George Romney, Sir Thomas Lawrence, John Singer Sargent, and, in June, 1963, that of Augustus John.

On Friday the tradition will be continued when the contents of the studio of distinguished portraitist Sir Gerald Kelly (1879-1972, president of the Royal Academy for five years from 1949), the property of his wife, Lady Kelly, come up for sale at Christie's Great Rooms. (On view days preceding until 4 pm Thursday).

Sir Gerald's grandfather, Festus Frederick Kelly, Postmaster-General in 1837, established the family's fortunes by giving his name to the famous Kelly's Directories. Sir Gerald's father held the living of Camberwell for 35 years, and it was William Dalton, principal of the Camberwell School of Arts and Crafts in 1900 who persuaded the vicar to send his son to Paris to study art.

Derek Hudson, in his excellent biography, *For Love of Painting—The Life of Sir Gerald Kelly, KCVO, PRA* (Peter Davies, 1975), documents the artist's life in Paris, and his meetings with the great art-dealer Paul Durand-Ruel, as well as Monet, Sickert, Degas, Renoir, and Cézanne.

Mr. Hudson also tells how in 1908, after a broken romance with a young dancer, Kelly nearly gave up painting, declaring: "I didn't care for anything; I even stopped painting. Then a friend—actually Mr. Somerset Maugham—advised me to take a nice long journey which would help me to forget her . . ."

He went off to Burma to paint the beautiful dancing girls, financed by Maugham with a *draft of £50 on a Rangoon bank*. (In one of the Ashenden stories, *His Excellency*, "the talented young Irish painter called O'Malley . . . (with) a truly Irish gift of the gab" was one of Maugham's many fictional portrayals of Kelly.) Over the years Kelly painted 18 portraits of Maugham.

Of the Burma trip Derek Hudson comments: "The delicacy and neatness of these girls, and the colour of their clothes, suited the precision and high finish of Kelly's craftsmanship . . . The public liked them, and some became familiar in popular prints."

In 1920 Kelly married Lilian Ryan, an artist's model 20 years younger than himself, whom he thereafter painted regularly, exhibiting a picture of her almost every year at the Royal Academy. Always known by her husband's nickname of Jane, when she was introduced to Queen Mary, Her Majesty exclaimed: "Jane of the many Janes!"

The 252 lots in the Christie's sale cover work from various exhibitions (74 are listed as reference sources in the admirable illustrated catalogue compiled by Mr. Francis Farmer), and include figure and portrait studies varying from two striking nudes to paintings of Jane, T. S. Eliot, plus those of the Burmese girls and scenes in Cambodia, Spain, Italy and France. (Other works of art and rare personal treasures such as the series of first editions, proofs and manuscript material given him by Maugham, plus some Aubrey Beardsley drawings, Spanish wood-carvings, Chinese bronzes, private press books, and so on, were sold at Sotheby's in 1955: the cash enabled Kelly to buy his home and studio in Gloucester Place, where he had lived for 40 years, the lease having come to an end.)

"The sale provides an opportunity for collectors of modest means to buy attractive decorative works that are easy to live with, not too demanding or outrageous, at prices ranging from £20 to £2,000," says Francis Farmer. Many of the pictures are expected to make less than £500, although he admits that prices could take off if interest in the sale builds up well.

Some of the pre-sale estimates do appear extraordinarily reasonable. Lot 247, a study for the State Portrait of Her Majesty Queen Elizabeth, the Queen Mother, and one of His Majesty George VI is £400/£600, while a pencil study of the Queen Mother, and three other unframed portrait drawings, unidentified, plus a notebook with a few sketches and annotations, has the incredibly low mark-up of £10-£15. Work on the official portraits started in 1938, and went on through the war at Windsor Castle, where the "few days" Kelly wanted to carry out last-minute touches were expanded into a stay for the duration. Sir Alan Lascelles, the King's private secretary, amusingly recalled to Derek Hudson in 1974 that: "It was even said, without foundation, I think, that Gerald, like Penelope, got up at night to undo the work he had done during the day."

In 1945 the artist was duly rewarded with a knighthood, and the band played "Has anybody here seen Kelly?"

Study for the State Portrait of Her Majesty, Queen Elizabeth, the Queen Mother, by Sir Gerald Kelly, begun in 1938, to be sold at Christie's Great Rooms, on Friday, in King Street, St. James's London, SW1.

The mysterious Balthus

FT/SOTHEBY
IAN BENNETT

ART HISTORY has a habit of throwing up the occasional mystery man, someone about whom either very little is known—one thinks of such shadowy geniuses as Duccio, Giorgione or Vermeer—or whose art, for one reason or another, seems outside the mainstream—Monsu Desiderio or Archimboldo, for instance, spring to mind. In the mid 20th century there is, perhaps, one supreme example, as Paris-born Polish count called Balthazar Klossowski de Rola, better known by the abbreviated form of his name he uses for his artistic activities—Balthus.

Anyone writing a history of 20th century paintings has no difficulty dividing artists into convenient schools based on country and style. In any such account, however, the placement of Balthus would be something of a problem. He could, admittedly, be put into that slightly amorphous group called the "Ecole de Paris" and some paintings, most notably *Le Chat de la Méditerranée*, in the Subrenet collection, Paris, place him firmly in the camp of the Surrealists. But such convenient labelling is not really satisfactory. It has to be accepted that, within the overall context of 20th century European painting, Balthus is a loner. His work has about it much of that erotic whimsy which is characteristic of a certain type of modern French painting, but in his case, it is neither vulgar nor a melange of ill-conceived Surrealist clichés.

His is an extraordinarily powerful art which has had a profound effect upon all who have come into contact with it. Like the work of Giorgione, it is compounded of eroticism, lyricism and mystery; indeed, in some respects, Balthus is almost an anachronism—a Renaissance painter existing longer after his properly appointed time. It is because of this, perhaps, that we are not surprised to learn that the early Renaissance painters, especially Piero della Francesca, of whom frescoes in Arezzo he made many copies, were among the young Balthus' first models. His landscapes and the monumental stillness of his figure compositions show quite clearly that not only the style of Piero's paintings but also his muted, pastel, palette have continued to exert the strongest influence upon Balthus' art.

Not surprisingly, very little has been written about his work. However, with the publication of Jean Leymarie's monograph*, the public at last has a chance to see a selection of the artist's best paintings reproduced in an exceptional series of colour plates, published in that lavish style pioneered by the Swiss publishing house of Skira, who have produced this present volume in collaboration with Macmillan's in England.

This is not, of course, the first opportunity the British public has had to see a large group of Balthus' works. A fine retrospective exhibition, organised by the Arts Council, was held at the Tate Gallery in the late autumn of 1968. It is interesting to note that the air of mystery which surrounds the artist is one which he himself has actively encouraged. John Russell's introduction to the catalogue notes: "What is private must remain so; that is Balthus' attitude, and it is at his insistence that this catalogue contains no biographical matter. 'The best way to begin,' he said when apprised of our customs, 'is to say—Balthus is a painter of whom *nothing is known*. And now let us have a look at the paintings.'"

The text of this 1968 catalogue is of a considerably higher standard than that of M. Leymarie's monograph. The former not only has Mr. Russell's lucid introduction, but also short notices of the artist by Albert Camus and Antonin Artaud, the latter, dating from 1934, written by a character almost as intensely mysterious as Balthus himself. The Leymarie text is somewhat typical of those which often accompany the splendid plates of Skira publications, texts which appear to be little more than padding, a necessary adjunct to the main purpose of the book, which is to illustrate a particular artist's work as richly as possible (if quality of text and plates are predictable features of Skira picture books, so is their extraordinary price structure; the present volume is no exception, its price of £55 working out at well over £10 a colour plate!).

Nevertheless remembering Balthus' own strictures to Taylor, it is the illustrative material rather than the text which should grip our attention and which continues to haunt our imagination long after we have put the book down. One of the most persistent themes throughout the artist's work is the image of the young girl. The most remarkable thing about these paintings of girls is the way in which the artist manages to imbue all of them with a strong undertone of eroticism, even in those pictures in which the girls are pursuing some innocent pastime fully dressed—*The Dream I* of 1927, for instance, in which one girl sprawls asleep on a sofa while another tiptoes towards her holding a poppy, or the three versions of *Les Trois Soeurs*, executed between 1960 and 1966. Somehow the artist manages to create an atmosphere of total innocence, yet combined with the suggestion of total availability, a disturbing balance of opposing forces which are difficult to reconcile and which, no doubt, give the paintings their disturbing quality. It is the same opposition of gentleness and menace which is to be found in certain writing by Nabokov, specifically, of course, *Lolita*.

Balthus has, since the beginning of his career, been an artist greatly admired by writers and other painters; he is, quintessentially, the artist's artist, since his colleagues are probably better able to understand the extraordinary subtlety both of his technique and of his imagery. And it is no coincidence that so many of his friends were, and are, poets and dramatists, since his work is, in reality, narrative in character, and is among the most lyrical and dramatic produced by any painter in the 20th century.

When still a schoolboy, Balthus produced a series of drawings which so impressed everyone who saw them that they were soon published, the introduction being written by no less a poet than Rainer Maria Rilke. Other writers and poets were quick to praise the youthful prodigy, some of whom—Gide and Bonnard, for instance—became close friends. Later admirers in French intellectual circles included Camus, Artaud, Jouve, Leiris, Giacometti, Derain, Miro and many others. And Balthus' international reputation was assured when, in 1933, the second version of *La Rue* was acquired by one of the most respected of American modern art critics and museum curators, James Thrall Soby. Early in the 1930s, Balthus was asked by the great French director Jules Supervielle to design sets for his adaptation of *As You Like It*, a project which lead directly to the collaboration between Balthus and Artaud, one of the most important and revolutionary figures in 20th century theatrical history: their first project together was on Artaud's adaptation of Shelley's *The Cenci*, a typically eccentric choice. This, in turn, lead to Balthus being among the most favoured painters with the many directors and actors who have formed significant groups of modern paintings: the list of owners in the Skira monograph includes such names as Billy Wilder and Tony Curtis.

* Jean Leymarie: Skira-MacMillan, 1979, £55

Antique antics

INCREDIBLY HIGH prices, but incredibly few bargains is the general consensus of opinion on the antique furniture sales so far this season. The trend already is for usable quality pieces to attract the best bids, in particular items such as early 19th century rosewood card tables (one made £1,650 at Christies the other week), dressers, sideboards, and sets of fine dining chairs.

Eight Regency sabre leg dining chairs in beech, painted to simulate rosewood, fetched £4,200 recently, which with the 10 per cent buyer's premium, plus 15 per cent VAT on the premium, means a true figure of £4,683. As an editorial in Antique Collecting, the journal of the Antique Collector's Club, points out . . . "by the time they have been cleaned up, tightened, recovered, polished and had a profit margin added, they will have to retail at about £6,500."

For as the writer goes on to point out, perhaps the most *telling evidence is who is actually buying* high priced pieces. "Overseas private collectors on holiday? Gold investors flushed with huge profits? English private collectors disillusioned with Conservative efforts to reduce inflation or with the performance of investment trusts? No, most of the good quality pieces went to the London Furniture Trade, people whose rents and rates and other establishment costs are unbelievably high, who, like the rest of us, borrow money at exhorbitant costs, and whose near neighbours have been trading none too profitably in late 1979."

J.F.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000

Saturday February 2 1980

The start of a long slog

SQUEEZING monetary inflation out of an economy is a protracted and painful business, and during the last week the pain has become very much more evident, especially in the financial markets. In the real economy, the Government is still struggling to persuade industry and the trade unions to confront reality, while the TUC made another unavailing effort to persuade the Government to provide some shelter. After an enforced pause, disruption in the private steel sector has been resumed with only a glimmer of hope of talks.

Realities

Although industrial realism is still only showing fitfully, the Government can take some limited comfort from the fact that both sides of industry now take our predicament seriously. There would be little dissent at the headquarters of either the TUC or the CBI with the Chancellor's familiar choire of adjectives—"almost frighteningly bad." In due course, people may draw appropriate conclusions.

In the financial markets, however, there has until recently been an almost cheery sideshow, caused by too much money chasing too few stocks. Now reality has begun to dawn in the bleakest fashion, with the gilts market, as ever, setting the tone. After a record Government success in funding, and despite the expectation of money figures which will show that policy is at last close to its objectives, the market has fallen sharply this week. This is not the behaviour with which the Grand Old Duke of York used to delight and enrich his friends in the market.

Market game

While there is much talk of "temporary indigestion" in the market, following the large sales of Government stock, some investors are beginning to realise that there has been a more fundamental change. It is true that large stock sales at a time when the Government is actually in surplus as taxes are paid are bound to create a shortage of liquidity in the market; but it is also true that the authorities have been taking their customary action to replace this liquidity, buying in near maturities, placing funds with the discount market, and yesterday postponing the call for special deposits. The uncomfortable truth behind all these minute-to-minute manoeuvres is that the large sales of stock, much of which has yet to be paid for, were necessary to get monetary growth back near its official range, and that the official monetary target is extremely tight—tight in a way which we have never experienced before.

The market is therefore relearning a very old truth—that when money is tight, its price tends to rise. This truth has been masked for some years now by the very odd market game called monetarist expectations, which might better be called Old Lady's Footsteps. Under the Healey rules for this game, the monetary target is set at a level which, taking one year with another, is broadly neutral, permitting monetary growth quite near the rate of growth of money incomes. Given the ability of the banks to invent ever new ways for their customers to economise in the use of cash, there is little real pressure in the market from unsatisfied credit demands. Interest rates are therefore set by the market's guesses about what the authorities are likely to do next. We have had some years to learn this odd game, in which interest rates rise sharply whenever there is excess liquidity, and fall when it is mopped up.

However, given a real squeeze, in which the demand for money and credit is always trying to rise above the permitted supply, official success in restraining its growth is likely to lead to sustained high interest rates, until demand itself begins to abate, either because of a fall in the rate of inflation—the Government's long-term hope — or because of a recession.

Pressures

The UK recession does now appear to have set in, and bankers report a fall in personal loan demand; but corporate demand usually rises with the onset of a recession, as companies are forced to borrow by an unanticipated fall in their revenues, and this also appears to be happening. The British system of collecting corporate taxes a year in arrears tends to accentuate this turnround, as tax liabilities reflecting better trading conditions fall due. The banks, in meeting this demand, with quite embarrassing implications for their own profits, have run short of reserve assets, adding to the turmoil in money markets.

In due course the extreme pressures of the last week will be relieved; and towards the summer, as the recession sets in, interest rates—which would at the moment be rising in an unconstrained market—will no doubt begin to edge down. Meanwhile, the market has joined the rest of the economy —industry, some trade unionists, and the Government itself —in recognising that a monetarist assault on inflation is not a miracle cure or an easy way out, but a long, agonising slog.

The split in the western alliance

BY IAN DAVIDSON

Soviet armour in Kabul: Moscow's influence has turned into virtual control.

THE WORLD today is divided into two parts. There are those who believe that the Soviet invasion of Afghanistan is an even so momentous and alarming as to cause a reappraisal of many if not all received notions of East-West relations; and there are those who believe that, while it is outrageous and indefensible in principle, it is not in practice, by itself, so alarming as to jeopardise on-going national interests or something called detente. President Carter and Mrs. Margaret Thatcher, the British Prime Minister, evidently fall into the first camp, the West German Chancellor, Herr Helmut Schmidt, and President Giscard d'Estaing of France, into the second. This split in the western alliance may be as disturbing as the Afghan crisis itself.

Naturally, it is quite impossible to decide objectively which school of thought is the more correct. Only history will decide that for us in any conclusive sense. But it is a safe bet that the question is one which is preoccupying every foreign ministry.

There is something to be said for the studied languidness of the French assessment, as set out by their foreign minister, M. Jean Francois-Poncet. The question posed is of such importance, and the implications are potentially so serious, that it should not be answered without a great deal of thought. Mere scare-mongering is worse than useless, unless one is prepared to follow through with present or future action.

I suppose the supercilious assessment runs something like this. For some years Afghanistan had been heavily under the influence of the Russians, and they were never likely to tolerate the risk that it might slip out of their grasp. Their interest in Afghanistan is partly atavistic, partly the result of their perpetual search for a *cordon sanitaire*; it is thus an essentially limited operation. It won't do them any good—just look at the reaction from the Third World—and the Afghans will keep their soldiers busy for years. We must keep talking to a Kremlin where the choice of a successor to Mr. Brezhnev may be influenced by the state of East-West relations. And anyway we need to do business with them. *Du calme, les enfants* . . .

There is, however, one sense in which the world has undergone a sea-change: President Carter says it has, and in matters like these, public statements are, as Clausewitz might have said, no less than the pursuit of war by other means. It is almost inconceivable that President Carter's warnings will induce the Russians to withdraw from Afghanistan, and while it is possible that an alternative President would adopt a different policy, Mr. Carter has now no choice but to stick by his assessment, and its policy implications, for at least the next nine months, even if the Russians never stir beyond the Afghan frontier.

The contrast between the American reaction to the Soviet invasion of Afghanistan, and that of, say, France and West Germany, is striking. President Carter has declared his readiness to go to war with the Soviet Union in defence of America's "vital interests" in the Middle East. Yet if one is thinking only of oil, it seems clear that anything which seriously jeopardised production and exports from the Middle East must be more "vital" to Europe than to the U.S., since Europe's dependence on oil imports is so much greater. Most of the European countries must therefore be taking a different view either of the danger of serious disruption, or of the consequences of such disruption.

War decision complications

President Carter has remained imprecise about the circumstances which could precipitate a decision to go to war, though reports from Washington suggest that it could be triggered by a Soviet incursion into either Iran or Pakistan. It may be, however, that the precise circumstances have yet to be defined by the White House, especially if President Carter is concerned not merely with the probable availability of oil, but also with more general notions of balance of power and spheres of influence, which are themselves inherently imprecise.

But even if President Carter is clear in his own mind about the circumstances under which he would go to war, he may not have automatically solved the problem of how to go to war. This is partly, but only partly, the problem of a maritime power waging war on the doorstep of a land power. Iran is a faraway country of which the Americans, like the rest of us, have belatedly started to learn something, but it is still a long way away; America has no defence infrastructure and no stable and predictable allies in the area. While the U.S. is now looking for possible bases, and is talking of strengthening its maritime capability and of setting up a large mobile force, the contrast between this array of improvisations and its established defence arrangements in western Europe could hardly be more striking.

There may be room for doubt whether the U.S. can find a credible solution to the problem of logistics and supply, and considerable doubt whether it can do so very quickly. If the Russians were to cross the Iranian or Pakistani border in the next few weeks, it must be questionable whether the U.S. would be fully prepared for a confrontation on the ground. Does that mean that the U.S. might have to contemplate a strategic strike threat? And does this in turn mean that the Russians will be so anxious to avoid any provocation, which would face the U.S. with the individious choice between humiliation and a Cuba-type confrontation, that they will keep the lowest possible profile for the time being?

If the Soviet occupation of Afghanistan does represent a potential threat to other countries in the region, the threat is more serious in the case of Iran than in that of Pakistan, and much more difficult to combat: more serious because Iran has oil, and a Soviet move into Iran would represent a threat to other oil-producing countries in the region; more difficult to combat, because Pakistan has a military Government which is more or less in control of the whole of its territory. Moreover, it has the effective support of China (another land-based country with a long frontier with the Soviet Union), whereas Iran's government is a very dubious quantity, its armed forces have been seriously undermined since the overthrow of the Shah, and the population is still in the grip of an anti-American revolution. If the U.S. were to send troops to Iran, this might conceivably give a further twist to the revolutionary spiral, so as to make it easier for the Soviet Union to extend its intervention with the active support of at least some of the population.

In Pakistan the U.S. is already engaged in one of the time-honoured haggles between Washington and its ephemeral allies over the amount of military aid that will be provided. But in the case of Iran, where the danger is greater, the U.S. has a long way to go before it can persuade the Iranians not merely that the U.S. is not the enemy they think they perceive, but could be an acceptable ally in defence of the country against a Russian threat. It is certainly difficult to imagine that an American military intervention in Iran could be viable without positive support from Tehran, not to say a much more credible invitation than the Russians ever got from Kabul.

But just supposing the Americans were to solve the logistics-supply problem, and were to get a call for help from President Abol Hassan Bani-Sadr; what then? Some people have argued that the Soviet Union may face the same difficulties in Afghanistan as the U.S. faced in Vietnam. This analogy is obviously misleading, partly for logistical and geographic reasons, partly because of the difference between a totalitarian empire and a pluralistic democracy in the way in which they perceive the use of arms for foreign policy purposes. It is much more likely that the U.S. would face the same difficulties in Iran (or Pakistan, for that matter) as those it previously faced in Vietnam—with the big difference that this time it would be fighting the master, not the servant.

'Unreliable' record

The Soviet Union is not, in the conventional sense of the term, a reliable ally: if one excludes the NATO area, the same can be said of the U.S. Soviet policy towards Somalia and Ethiopia in the recent past, and American policy towards Pakistan and South Vietnam—and even towards Turkey, a member of NATO—are eloquent cases in point. What distinguishes the two superpowers is that, in a number of instances, Soviet influence has turned into virtual control—eastern Europe, Outer Mongolia, and now Afghanistan. Despite domestic protests, the U.S. has agreed to give up control of the Panama Canal, but with the solitary exceptions of eastern Austria and West Berlin I do not know of any case where the Soviet Union has surrendered conquered territory.

Part of America's problem in Vietnam was that it felt obliged to wage the war on the assumption that South Vietnam was and should remain an independent country with an independent Government, and this implausible relationship was made more difficult by the corrupting influence of an alien culture and an alien notion of war and government.

The trouble for the Americans is that, while the Shah was much more independent than President Thieu, he was perceived by many Iranians to be an American puppet; and the corrupting influence has already produced its revolutionary backlash and political disintegration. It is hard to see what political institutions the U.S. could rely on in Iran for the purpose of conducting a war.

On the subject of alliances, I do not mean to suggest that the U.S. is deliberately Machiavellian and deceitful; on the contrary, America's undoing in foreign policy is more often its sincerity and idealism. Many people have admired, if they did not entirely endorse, President Carter's concern for human rights and non-proliferation. With hindsight it would seem as if he gave them too high and too selective a priority in the context of the vital interests of America and the West. Even at the time, the U.S. treatment of Turkey after the Cyprus invasion seemed extraordinarily stupid.

Unfortunately, America's acceptability as an ally for any of Iran's neighbours or near-neighbours has been weakened by the course of events in Iran itself. Cairo is visibly embarrassed by Washington's reflex assumption that Egypt should asume the role rejected by Iran; and other Arab countries have also been alienated by Mr. Carter's failure to ensure that the Israel-Egypt peace agreement was linked to a settlement of the West Bank. If the President really intends to be in a position to counter a Soviet threat in the Middle East, will he be able to take those steps necessary to deliver the second half of the Camp David agreement, and will he in that case be prepared to modify America's most constant alliance, that with Israel?

This brings one back to the central alliance network in the West, and to the relationship between the U.S. and the European members of NATO. One can argue, as I suggested earlier, that the take-over of Afghanistan was predictable, is limited to Afghanistan, and will have little impact beyond the Afghan frontier: the Russians will need time, perhaps a long time, to digest the operation; and if there ever was a danger of the Russians using it is a stepping stone, Carter's fighting talk will be enough by itself to deter them.

Soviet policy speculations

The problem with this quietistic approach is its narrowness. Ever since World War II, western observers have speculated about Soviet intentions. Why did Khrushchev risk the Cuban missile crisis? What are they after in Angola and Ethiopia? Why do they want so many weapons, at such heavy economic cost? Why do they seem determined to acquire a first-strike capability against the U.S.?

However cool one may be about the Soviet take-over in Afghanistan, it is difficult to believe that taken in conjunction with questions like these, it does not lead to a much more sombre appreciation of Soviet foreign policy. President Carter, for one, seems to recognise that he had read much more into the vogue word "détente" than was really there; M. Jean Francois-Poncet, by contrast, is still talking about détente as if nothing much had changed.

Strictly speaking, the Afghan crisis is no business of the Atlantic Alliance, and the European members of NATO are even less well equipped to intervene in the Middle East than are the Americans. What is serious, however, is the apparently sharp rift between America and Europe in their general conclusions about Soviet foreign policy. It will become much more serious if President Carter reaches the point where he feels he must move from words to actions, and actions, moreover, which some European countries will think are not merely ill-advised but potentially damaging to them. The Afghan crisis may be damaging to the Soviet Union, but it may also be damaging to the Atlantic Alliance.

Letters to the Editor

Tourism

From the Chairman, British Tourist Authority

Sir,—There are lies, damned lies, and surveys of comparative costs!

Your survey "A businessman's guide to living costs" (January 26) is, of course, concerned solely with costs to international businessmen travelling on expense accounts. It is wholly misleading as a guide to relative costs for average visitors to Britain. Unfortunately, the trade and Press in many of our most important overseas tourist markets are interpreting the survey results as the latter.

Only 17 per cent of visitors to Britain come for business purposes. Therefore the proportion of visitors using top London hotels is relatively small. Your survey deals only with first-class international hotels and *haute cuisine* restaurants. The average visitor paying for himself and his family does not, and never has, used top hotels and restaurants.

A poll undertaken by the British Tourist Authority last year of overseas visitors who did use top hotels shows that first-class London hotels still offer good value for money, in their opinion. Eighty per cent expressed themselves satisfied. And London still certainly offers particularly good value for money at the middle and lower ends of the hotel market. There are many thousands of hotel rooms in London where the the visitor can stay for £15-£20 a night, which is about a quarter of the hotel bed-and breakfast prices quoted in your survey.

In addition, of course, many visitors to London take advantage of a vast range of package tours which include accommodation and whose prices are highly competitive with the world's other leading tourist centres.

Some important items in your survey (such as the prices of a hotel lunch, a snack, a beer or whisky) are cheaper in London than in many other places. For instance, a hotel lunch at £7 is seventh in the competitive cost table. A snack is ninth in the list. And an *à la carte* dinner at £12 is also ninth.

Many attractions—such as museums and art galleries—are free in London. This fact might not be important to the businessman, but it is greatly appreciated by the majority of vistors. Shopping, another great attraction, continues to offer good value in all ranges of the market.

The real problem for overseas visitors to London lies in the strength of sterling. This inevitably means they get fewer pounds for their foreign currency.

If I were to quote the price of a ticket by Concorde from London to New York as being the fare between those two cities, I should be accused of being misleading. But that is what the Financial Times survey is taken as doing. Tourism from overseas remains Britain's most successful growth industry; the Financial Times survey, when misunderstood overseas, can only damage an industry of which Britain can be proud.

(Sir) Henry Marking.
Queen's House,
64, St. James's Street, SW1

Posts

From the Executive Director, Mail Users' Association.

Sir,—The managing director, Posts (January 28) was mistaken in his assertion that the Mail Users' Association "did not choose to take part" in Post Office opinion surveys.

I made it quite clear at meetings with postal officials that they could count on the support of MUA for such exercises. The MUA, however, had been running its own surveys for several years and it was decided that the best course would be for these to continue until the Post Office's survey could be evaluated. Unfortunately, the PO survey did not meet with a good response and it was decided to abandon it on the grounds that "the response was too poor to justify continuing with the programme" — a decision made known at the Postal Forum on September 4, 1979. At present, therefore, there is no regular survey in which MUA members can participate, apart from that of the MUA itself.

The association is not arguing that Posts does no market research. It has argued that it has sometimes done too little. In our view, before discussing changes in delivery arrangements with the Post Office Users National Council, an extensive questionnaire and interview exercise is essential, and we are available at any time to pass on our experience of such exercises to the postal business.

M. E. Corby.
3-7, Stamford Street, SE1.

Technicians

From Mr. R. Howard.

Sir,—Various reasons continue to be adduced for the poor performance of the manufacturing sector of the economy. I suggest that the root cause behind the lack of productivity lies in the lack of technician grade personnel in all sectors of industry. This is borne out in virtually every one of the reports from NEDO sector working parties and by two recent reports: "Technological change" from the Cabinet Office, and in Finniston's "Engineering our future" where urgent action to correct the situation is suggested. There seems little point in buying high technology from abroad or improving the status of engineers until we have sufficient technicians for production engineering, testing, quality assurance, technical maintenance, field servicing and so on.

This whole area was the subject of study by advisors to members of the present Government when in opposition and the need for urgent action was clearly identified at that time. It is again identified in Finniston. Action must be taken quickly if there is to be any early improvement in the performance of British Industry. Waiting for improvements to arrive through the educational system will be far too late. In any event, many who can teach the necessary skills are working in industry, so that a crash programme based on the latest audio/visual distance teaching techniques as pioneered by the Open University would appear to be the only solution. It would be a means of using many good teachers working in industry. During the earlier studies of this approach the name "open tech" was suggested. Industry's needs can be identified through NEDO sector working parties to ensure concentration on major shortages and with an intensive co-operative effort between industry, government and the training and teaching professions, a considerable impression on the problem could, in my view, be made in a relatively short time.

The media has made much of the "microprocessor revolution." Without sufficient technicians it cannot get far. One can only hope that the "technician gap" will receive as much coverage, so as to stimulate wider understanding of the problem and more rapid action.

R. J. F. Howard.
49 Beaumont Street, W1.

Property

From Dr. C. Ward.

Sir,—It would be unfair to criticise Professor Hemmer in his wide ranging comments, "A U.S. example of analysing property investment" (January 29) on property investment analysis, for his evident lack of familiarity with the UK market: clearly the aim of his article was to stimulate interest (and debate?). He is right in his observation of the discretion with which UK property investment advisors carry out their quantitative and computer based analysis.

Professor Hemmer, however, is over-enthusiastic in his advocacy of a computer simulation approach to property investment analysis. The major problem of simulating property investment is in defining the association between the relevant variables and often the use of a smartly packaged computer routine disguises rather than reveals this important factor. For example, is rental growth strongly correlated with expenses? Is the building value growth rate related to increases in financial charges or inflation? These are key questions which must be answered before elaborate computer programmes are purchased. Without effective analysis of historic market data (usually unavailable both in the UK and U.S.) the results of the simulation often provides only a spurious confidence to the investment analysis.

The real risks of property investment from an institutional viewpoint concern the implications for the investor's aggregate portfolio and in this approach the results of property-by-property simulation are barely relevant. Property investment requires analysis of the type and rigour encountered in other major investment markets and the difficulties of the analysis are not diminished by resort to an *ad hoc* simulation approach.

Dr. C. W. R. Ward,
Department of Accounting and Finance,
University of Lancaster,
Gillow House, Bailrigg,
Lancaster.

Duplicators

From Mr. J. Mercer.

Sir, — Duplicators, however modern, are basically a Victorian concept and in comparison with modern plain paper photocopiers are relatively noisy, dirty, messy and inflexible. Their biggest drawback is however that the market is not in the modern industrial West where there is a massive expansion in office machinery and information techniques but in the developing world.

The sudden contraction of demand from the Third World may be overcome with dramatic sales campaigns; reduction of production costs, etc., but the market will continue to contract year by year.

Competition is healthy in an expanding or stable market but it is suicidal in a contracting one. Roneo and Gestetner, the only British owned multinationals in the office machinery sector, are locked in competition over an obsolete product while foreign owned multi-nationals are producing modern equipment and selling it here and throughout the world. Roneo is the smaller of the two, but is part of the Vickers Group and may survive with its mailroom division but Gestetner the second largest employer in the sector (Rank Xerox being the largest) has moved in my view too little and too late out of duplicators. Its independent venture into photocopying is for example not a success. Left to their own devices these two firms will continue their dinosauran attitude of competition locked in futile battle leaving the field clear for Japanese Americans *et al* at the cost of jobs and further import penetration. The office machinery sector already has the highest percentage import penetration of any sector.

I have been arguing in the sector working party that the Government cannot continue its non-interventionist policy and should as a matter of urgency persuade the two companies to merge their duplicating manufacture to keep that viable for a little while, invest substantial sums of money into the amalgamated firm to develop modern office machinery needs, and guarantee through public procurement the purchase of the production of new products.

These latter two points are vital as development of office machinery is rapid and expensive. Neither company can source any new capital from its own resources; risk capital is not available for there would be no immediate return and in order to survive production has to be large enough to be economic and without a guaranteed UK base no firm could break into or remain in this sector with any hope of success.

It is however not all bleak as Gestetner and Roneo have substantial world wide selling organisations; they have the contacts—what they lack is the will and the products.

J. T. Mercer.
Divisional Office, Association of Scientific, Technical and Managerial Staffs,
Mossport House, 7-9, The Bridge, Harrow, Middlesex.

هكذا من الأصل

THE COMPLEX WORLD OF THE DIAMOND TRADE

BY KENNETH MARSTON, Mining Editor

A touch of frost in 'The Garden'

ONE POSSIBLE reason why you will seen no greenery in London's deceptively scruffy Hatton Garden area must be that the inhabitants of that jewellery trade jungle are not given to allowing the grass to grow around their feet. To prosper in "The Garden" calls for quick thinking, shrewdness and tenacity.

These qualities are about to be put to the test as the trade prepares to face up to price resistance as a result of the soaring prices of gold, silver and platinum. Retail jewellers may be hard put to maintain their traditional mark-ups of between 50 and 100 per cent when the cost of precious metal works through to new stocks of finished jewellery, an important part of which contains diamonds.

What has been happening in the biggest jewellery industry of all, the huge world trade in diamonds which could well have an annual turnover of some $20bn? While precious metals have been roaring ahead it has grown distinctly cool: but matters in the diamond industry are never as simple as that and it is worth delving into the by-ways of this mysterious world to see just what has been happening.

As usual, the wind of change was first scented last year by Mr. Harry Oppenheimer. Apart from being a world authority on the diamond trade, he is chairman of South Africa's giant De Beers diamond mining group under whose auspices exists a powerful diamond monopoly, the Central Selling Organisation.

Formed in 1930, the CSO handles the marketing of about 85 per cent of the world's production of rough diamonds — those in the natural state before the cutting and polishing process. By regulating the flow of rough diamonds to the market, matching supply to demand as far as possible and setting prices, the CSO protects the industry from the wild price swings that cause havoc in other commodity markets.

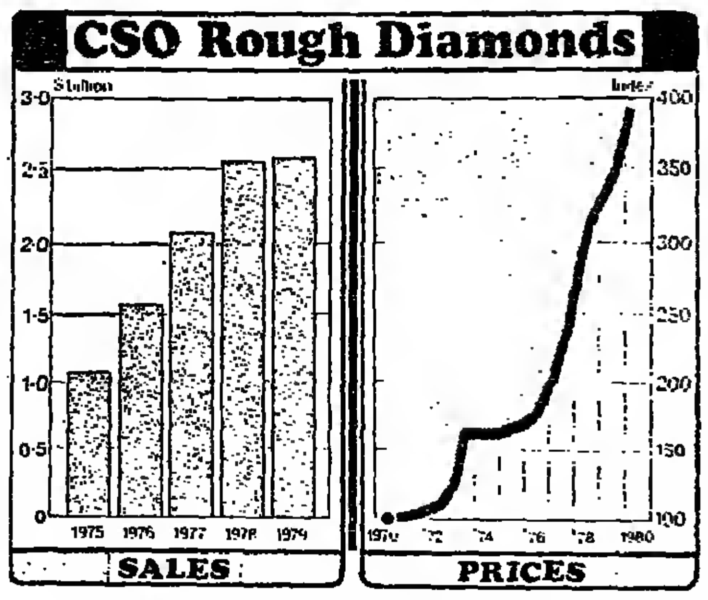
It is a benevolent and highly successful cartel, operating in a huge industry which is tied to a single product. It has never had to reduce prices. Its effectiveness is such that even the Soviet Union, which no longer markets its important rough output directly through the CSO, still keeps in step with the CSO. Whatever else the Russians may do on the commodity marketing scene, self-interest keeps them from rocking the boat in diamonds and gold.

In March last year, Mr. Oppenheimer forecast a return to more normal conditions after the wild times of 1978 when dealers in the four main cutting centres, Antwerp, New York, Tel Aviv and Bombay, had been holding on to their stock-in-trade as a protection against falling values of paper money, especially in Israel.

At a time of buoyant demand diamonds were not coming out of the pipeline. Under normal circumstances a gem diamond rises about four times in price during its journey from mine to jeweller's counter and this journey takes about nine months for 50 per cent of the stones and up to 22 months for some of them.

Clearly, a stoppage would have boosted prices of the available finished stones to fever levels and would have been followed by a slump. The CSO acted with speed and determination. It slapped on surcharges of up to 40 per cent on its supplies of "roughs"—thus killing the prospects of a secondary "black market"—and this, together with a certain amount of judicious credit squeezing, flushed out the diamonds which had been stuck in the pipeline.

Prices of the finished goods, however, had already risen and the flushing process increased stocks of both finished and semi-finished diamonds, notably of the smaller stones of up to about ½ carat (there are 100 points to the carat and 142 carats to the troy ounce which equals 31.1 grams—an avoirdupois ounce equals 28.35 grams).



Meanwhile, the CSO sales of roughs which had reached successive records in 1976, 1977 and 1978, fell off in 1979 as Mr. Oppenheimer had predicted.

Admittedly, the 1979 total sales value was slightly higher at $2.59bn compared with $2.55bn in 1978, but it masked the fact that the 1979 sales covered 12 months of the CSO average price increase of 30 per cent (as distinct from the temporary surcharges) which was made in August, 1978, and another rise of 13 per cent in September, 1979.

In other words, the CSO had sold fewer rough diamonds in 1979. Price resistance in a market over-supplied with polished smalls was having its effect. Short-time working was reported in cutting centres and jewellers were putting a reduced diamond content into individual items or were using cheaper and lower quality gems.

Prices of small diamonds which had risen by about 300 per cent between end-1975 and mid-1979 declined and are now some 25 per cent below the peak. One merchant who was paying $650 per carat for good grade melee in July 1979 found that he could renew supplies at $525 per carat in December.

But this is only part of the story. It must be appreciated that in the curiously imprecise world of diamonds one plus one does not necessarily make two and there is no such thing as a "diamond price" in the sense that there is a gold price or a tin price and diamonds are classified in more than 200 categories.

For example, rarity dictates that a single stone of, say, one carat is worth more than the combined value of four smaller stones of similar quality and having the same total weight. At the same time, a high quality stone of only ¼ carat, or 25 points, will be of greater value than a low quality one-carater. Weight—or size—alone does not determine value in diamonds.

The main factors are rarity and beauty. Virtually all diamonds are coloured, containing barely discernible tinges of yellow, gold or brown and the deeper the tinge the lower the value of the gem.

They also have degrees of flawing, the occasional tiny specks of carbon—"inclusions"—which are undetectable by the naked eye. Finally, there is the excellence of the cutting to be considered which brings out the natural "fire" of a diamond.

Barely apparent though these variations may seem, they become very noticeable when one diamond is placed against another and they have a tremendous bearing on retail prices. This last point is underlined by the following table which indicates—and no more—the wide variations that can be expected in the retail price content of polished diamonds in jewellery.

For example, the table indicates that a ⅓ carat (33 points) stone of the very highest quality could cost as much as $3,000 while at the lowest quality end it might fetch only $250. The figures shown, however, can only be taken as a broad guide partly because of the variations in retail mark-ups.

PRICE VARIATIONS

Size carats	Highest value	Lowest value
¼	$1,300	$140
⅓	$3,000	$250
½	$6,200	$480
1	$50,000	$1,300

Although the bulk of diamonds mined are in the form of industrial stones, it is the much lower proportion of quality gem material that accounts for about 80 per cent of the CSO sales value.

The gem market can be divided into two main areas. First, the high value top bracket of large stones—over one carat—which accounts for only about 1 per cent of polished diamonds. Second, the great mass of smaller stones which covers sizes of up to ½ carat, the 5 to 17-point melees, and below them the small brilliants of under 5 points.

The top end constitutes the investment category, although Mr. Ian Norrington, a diamond expert and partner with stockbrokers Grieveson Grant prefers to regard them as "stores of value." He considers that a one-carat stone of the very rare "D-flawless" category (the "D" refers to colour) would cost at least $40,000 in the trade, if you could find one, compared with $25,000 in July last year and $12,500 at the end of 1978.

De Beers says that the smalls have been a sticky market and sees the main problem area in rough stones of up to about ½ carat, or 50 points, and in the melees. Broadly speaking it takes a one-carat rough to yield a polished gem stone of 30 to 40 points. Trade guesses are that the world stocks of smalls—mostly at the cutting centres—could now amount to as much as $3bn.

The situation calls for some delicate balancing on the part of the CSO. Having come dangerously close to losing its grip on the market in 1978, the organisation does not want to risk any shortage of polished gems developing again. At the same time it recognises the problems for the trade of this big surplus of smalls.

In a curious way, it is possible that this surplus of relatively modest-priced material could help the jewellery market which is more worried about the high price of gold. Not noted for being other than optimistic Mr. Moshe Schnitzer, president of the Israeli Diamond Exchange, is even prepared to forecast a boom in sales of the smalls this year.

He says that prices of some grades are now back to where they were two years ago and argues that while the proportion of gold used in jewellery will probably decline, buyers will be prepared to pay for better value in a larger diamond content.

At the "bread and butter" end of the market Mr. Alan Lowe of the H. Samuel chain of retail jewellers is hopeful that the reasoning may be correct. Thanks to his group's buying policy he is not depressed at trade prospects but anticipates a lighter gold content in jewellery, probably in smaller shanks to rings and increased use of 9 carat as opposed to 18 carat gold.

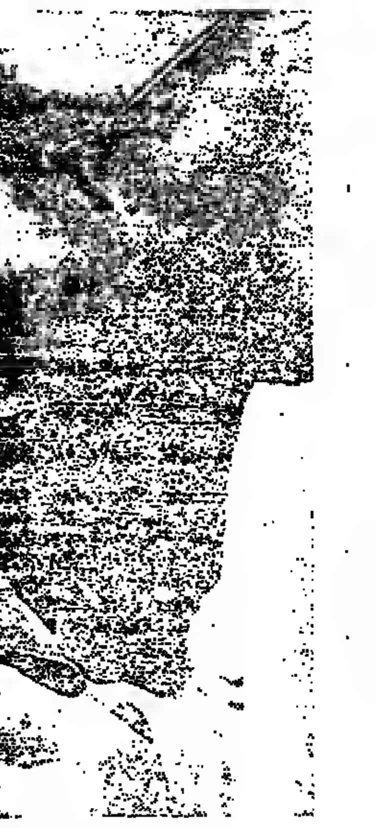
In the cases of the better quality diamonds of about 25 points upwards the gold price content of a piece of jewellery becomes less important in the overall cost and it is such pieces that sell to the older buyers who have overcome the earlier financial hurdles of marriage.

He also sees scope for increased sales of "second" diamond jewellery—those other than engagement rings. A fashion has emerged for the pieces which contain the tiny melees. These include necklets, pendants, earrings and bracelets.

Prices have to be very competitive, but H. Samuel can fit them into a range of about £45 to £150. A little further up in quality, a pair of 10 point ear studs can be had for about £200. And it should be borne in mind that, tiny though they are, diamonds down to about 5 points, and sometimes below, still contain the standard 58 facets.

Underlining the disparity in demand for large and small diamonds, the CSO has just announced that prices of the larger roughs of one carat and above are to be raised again, the increases being equivalent to an overall 12 per cent for all roughs. The move will tend to stress the relative cheapness of the smaller stones which could be a good buy at the moment.

In all, the outlook for diamonds in 1980 remains cool, but not depressing. De Beers, as ever, takes a longer term view and is not dismayed at what it sees. The jewellery trade, however, faces difficult times and possible lower profit margins.



A craftsman at work on a diamond brooch at the firm of D. Music, Hatton Garden, London

Weekend Brief

Singing in the rain

Weather—a change for the better.

Something has happened to the British weather. But what that something is is baffling the combined expertise and experience of our 3,000-strong Meteorological Service.

No, it's not the long-running conundrum about whether the world is heading for an ice age or is about to turn into a giant greenhouse — officially the weathermen are sitting on the fence about that one. What they are scratching their heads about down at the Met. Office's HQ in Bracknell in Berkshire is what is making the weather so popular.

"Suddenly everyone wants to know about the weather; it's become incredibly popular. In 1978 we had 15m people inquiring about the weather on our automatic forecasting service; last year we had 30m. But we have no idea why so many people are suddenly so interested," said Roger Hunt, Met. Office spokesman at Bracknell.

"And its not just the recorded service inquiries that are demonstrating our new appeal—we are now getting dozens of letters each week from people asking us if we can give more detailed information in our bulletins and in our television forecasts. We had always thought most people didn't know a depression from a warm front but our mailbag is proving us wrong."

One theory on the weather's new improved audience appeal advanced by the Bracknell boffins is that people are becoming physically more weather sensitive—"The Gas Board tells us that everytime there is an easterly wind everyone turns up their heating yet easterley's are no colder than westerlies—another is that people are convinced that the weather is becoming more extreme and vicariously watch or listen to forecasts, or phone the Weather Service to prove that they are right. Another is that with increased leisure time people have more time to go on holiday or take outings and they like to check the weather first.

"Nineteen per cent of the calls received by our six Weather Centres—they can tell you what the weather will be like in other parts of Britain—are related to holidays. But we probably get almost as many from housewives wanting to know if its safe to put out the washing."

Hunt likes to think that one reason for the Met Office's sudden popularity is its new improved reliability. "People are aware that today with our computers and our very advanced forecasting techniques that we are more likely to be accurate than we were say ten years ago. We now have an accuracy rate of 85 per cent for same day and next day forecasts, and the remaining 15 per cent are usually mainly accurate. We do get the odd disaster though—you know, we say it will stop raining mid-morning and it keeps going all day."

While a disaster like that might be mildly frustrating for the housewife with a load of wet washing she wants to hang out, it can have far more serious consequences for the farmer who was planning to sow the back paddock. "We make £10m a year selling our forecasts to the agricultural industry; to aviation, to shipping, so if we do make a mistake the people who are paying for our forecasts tend to get very upset—questions have even been asked in the House when we have had a disaster. They seem to think that because we have all these computers now, that we should be 100 per cent accurate. But weather forecasting is very much a man-machine mix.

The computers do the dogsbody work, producing the charts, but you need a human forecaster to interpret those charts. A lot of that interpretation is based on experience and gut-reaction. A forecaster will look at one of those charts and get a gut-feel about whether its going to rain tomorrow or not."

Chip off the old block

Micro-chip technology is developing so rapidly and is so cheap and versatile that its future seems to be limited only by electronics manufacturers' ability to dream up new applications for it. If some of the industry seers are correct, by the end of this century the main problem for many of us will be how to fill our enforced leisure hours as we lie back and allow chip-controlled devices to take over the running of our offices, factories and homes.

But do we really need all this new wizardry, once the novelty has worn off? One straw in the technological wind may be the changing fortunes of the digital watch. Though now available at incredibly cheap prices, with extras like built-in calculators, alarms and solar-powered batteries, its popularity appears to be on the wane. Industry sources report that demand is now swinging back to analog watches with old-fashioned dials and moving hands.

One expert who views the continued flood of new chip-based consumer goodies with a wry scepticism is Ben Rosen, electronics analyst with Morgan Stanley, the New York investment bank. Some time ago he instituted his own "Decline and Fall of Western Civilisation Award" for new products of technical ingenuity but dubious utility. A recent visit to the Consumer Electronics Show in Las Vegas prompted him to select a short-list from a rich crop of new candidates.

His first choice is a music-playing calculator from Casio, equipped with two musical alarms playing Mendelsshon's Fruehlengslied and Schumann's Traumerei. For the semi-literate gourmet with a short memory there is a hand-held language translator which advises on which wines to serve with different foods and gives instructions on how to mix cocktails.

To simplify our gourmet's kitchen chores, there is the talking micro-wave oven, which tells the aspiring cook how to prepare a list of dishes. Rosen claims that the careful listener, if he puts his ear next to the oven, can occasionally hear a stifled voice crying: "Help, I'm a prisoner in a. . . ."

For those who are even further down the path towards leisure living (or advanced physical decrepitude) and who disdain using their arms, there is the talking watch. Finally, perhaps the ultimate labour-saving device, a television which switches on and off and changes programmes on voice command. When it has understood, it issues a clipped "okay."

For all his cynicism, Rosen is by no means immune to the lure of gadgetry—if it can be shown to serve a useful purpose. In one of his recent monthly letters, widely-read in the investment community, he reported on his dabblings with a personal computer which seeks to forecast individuals' behaviour by charting their "biorhythm cycle," a sort of metabolic response curve.

Those armed with such a computer could, he claimed, have been forewarned that Paul Volcker, chairman of the federal reserve board, would impose his dramatic squeeze on U.S. credit on October 6, which hit the stock and bond markets for six. Unfortunately, Rosen's discovery did not reach his readers until October 19 . . .

Digging up Iran's past

"Archeology is not dead" must be the favourite cliche of the world's diggers for ancient pottery, but over the past 18 months in Iran there must have been moments when they thought that if it was not dead, it was certainly in a coma.

Iran's institutes and universities were disrupted by strikes and student unrest and the various foreign institutes of archeology were pruning work plans and staffs in order to minimise their exposure to xenophobic feelings. It was difficult to consider the past when even tomorrow was uncertain.

At the time of last February's revolution there was concern over possible damage to sites and a new attitude to any part of history looked upon approvingly by the Shah, who had seen himself until then as the latest product of 2,500 years of Persian glory.

The new authorities might have purged the immediate legacy of that present temporary resident of a hot, sweaty island off the coast of Panama, but to their mind, the rest of Persian history now firmly belonged to the people.

The trouble has been that the revolutionary regime instituted a check on the inventories of all museums and art galleries to see what had disappeared to the panic departure of the former elite. The Museum of Modern Art and the Carpet Museum in Tehran were comparatively small, therefore easy to check, and so they reopened several months ago.

For archaeology though it was a greater problem. There were hundreds of thousands of pieces of pottery, jewellery and glassware to check on. At last the end is in sight and towards the end of March, the time of the Persian New Year, the Museum of Archaeology in Tehran is to open its first exhibit since the revolution.

Appropriately enough, the three month show will be on the Islamic Period (7th century) with 150 objects on display, salvaged reportedly from a consignment of five crates apprehended last summer as they were being smuggled out of the country.

For the intrepid traveller in Iran over the past year, it has always been possible to see the famous sites despite the political turmoil. The tomb at Pasargadae of Cyrus the Great, the founder of the empire in the 6th century BC was threatened by a bulldozer immediately after the revolution as local peasants tried to extend the area under the plough, but generally the major sites have not been damaged.

The site of Persepolis—the city of the Persians—50 miles away where Cyrus built his imperial city and where the remains of his columned palace still stand is rarely visited by more than one tourist at a time. Service at the nearby Intercontinental Hotel is consequently reported to be excellent.

Both sites are reached from Shiraz, the capital of the Southern Fars province. Politically Tehran and more lately, Qom, may be the centre of Iran, but until 300 years ago it was this area which was important, in spite of wars and invasions. It was the centre of a civilisation equal to if not greater than Western Europe.

Given a modicum of political stability, the archaeologists say they are ready to go back to their digging for the next summer season. The authorities will probably look favourably to the return of foreign teams who in the past have been able to do about half the digs in progress.

Every period of Persian history has been more than scraped at, but there is still much to do.

Contributors:
Robyn Wilson
Guy de Jonquieres
Simon Henderson

Economic Diary

TOMORROW: Birmingham Chamber of Commerce trade mission leaves for Nigeria. International Spring Fair opens at National Exhibition Centre, Birmingham (until February 7).

Monday: New 19th Issue of National Savings Certificates goes on sale. Mrs. Margaret Thatcher meets delegation from Central Council of Physical Recreation to discuss proposed boycott of Olympic Games. Mr. Gordon Richardson, Governor of the Bank of England, speaks at Overseas Bankers Club banquet, Guildhall. Mr. Paul Channon, Civil Service Department Minister, speaks at Bexley, Kent. Mr. Timothy Raison, Home Office Minister, speaks at County Hall, London. Mr. Peter Baxendell, Shell Transport and Trading managing director, speaks at Coal Industry Society lunch, London. EEC Foreign Affairs Council starts two-day meeting, Brussels. Capital issue and redemptions (during the month of January). UK official reserves (January). Hire purchase and other instalment credit business (December). etail sales (December—final). Building Society house prices and mortgage statistics (fourth quarter).

TUESDAY: Union-management working party meets to find buyer for Mecanno factory, Liverpool. Mrs. Sally Oppenheim, Consumer Affairs Minister, speaks at Derby. Prince Charles visits British Institute of Management. "Communicating in the 80s" two-day conference opens, Kensington Town Hall. National Stamp Exhibition opens, New Horticultural Hall, Westminster (until February 9). Mr. John Forsyth, Morgan Grenfell and Co. director, speaks on the future role of sterling, Royal Institute of International Affairs. UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January). London clearing banks' monthly statement (mid-January).

WEDNESDAY: Office of Fair Trading presents direct sales Code of Practice. Fluid Handling Exhibition opens, Harrogate (until February 8). CBI industrial trends survey (January). Housing starts and completions (December). Slum clearance (fourth quarter) House renovations (fourth quarter).

THURSDAY: Provisional figures of vehicle production (January). Sir Cyril Pitts, British and South Asia Trade Association chairman, speaks at Birmingham Chamber of Commerce on trade and investment opportunities for British Industry in India.

Wholesale Fittings near £1.5m in first half

ON TURNOVER up from £9.12m to £11.45m, pre-tax profits of the Wholesale Fittings Company rose from £847,000 to £1.49m in the first six months ended October 26, 1979.

Turnover for the first two months of the second half has increased over the corresponding period last year but the directors say it would be unwise to expect the rate of first half profit increase to be maintained in the second six months.

First half tax charge is £775,000 (£440,000) giving earnings per share of 20.5p against 11.6p. The interim dividend is lifted from 2.23p to 4p per share but the board says the increase must not be taken as an indication of the level of the final payment.

In 1978-79, the total dividend was 10p paid from record pre-tax profits of £2.24m.

After adjusting the cost of sales for the impact of inflation on stock values, the first half pre-tax profit would be £889,000 against £717,000. The group trades as a wholesale electrical distributor.

● comment

WF continues to show impressive growth. Despite the note of caution for the second half, full-year profits will again be a record although the extent of the increase is difficult to guage in today's uncertain climate. Nevertheless, the market was delighted with the results, marking the shares up by 30p to 490p — a handsome 120 per cent increase over last year's low of 222p. Assuming doubled first half earnings and a dividend rise of a fifth, the shares are currently selling on a prospective fully-taxed p/e of 11.9 while the yield is 3.5 per cent. The market is already discounting further growth, and a further prop to the price is the strong balance sheet. Since the year-end, extra stock has been bought in to fill two new depots but there has been no corresponding increase in borrowings. In fact, cash flow has been sufficient to provide some investment income. The prospects are bright barring no slump in trade demand for electrical supplies.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Brit. Am. & Gen. Tst. ...	1.3	April 17	1.13	2.34‡	1.85
Colonial Securities	8	Aplrl 3	6.5	10.5	9
Evode	0.98	April 3	0.8	1.4	1.16
Nesco Inv. ...... 2nd int.	3.5	April 4	2.06	6.3	3.35
Radley Fashion	2.88	April 4	2.88	4.38	4.31
Radley Fashino ...... Int.	1.5	June 6	1.5	—	4.38
Wholesale Fittings int.	4	April 10	2.23	—	10

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including non-recurring dividend of 0.217p.

Radley picks up midway

AFTER exceptional debits of £258,000, against £17,000, pre-tax profits of Radley Fashion Group fell from £199,000 for 13 months to £95,000 in the year ended May 19, 1979, but results for the first half of 1979-80 have picked up to show a profit of £234,000, compared with £162,000 previously.

The final dividend for 1978-79 is 2.875p, lifting the total from 4.3125p to 4.375p and a maintained interim dividend of 1.5p is also declared. Mr. A. Radley, joint managing director, and Mrs. Radley have waived their right to both dividends on 473,907 shares.

Results for the first half reflect the high level of orders but the retail trade has been experiencing very difficult trading conditions and the directors say the second half will prove to be less profitable than the first six months.

However, for the year, a satisfactory outcome should be achieved in spite of the very high interest rates and the increased value of sterling which affects margins in the export field.

Turnover in 1978-79 improved from £5.12m to £6.17m and the first half figure went ahead from £3.13m to £3.55m. Stated earnings of 8.82p (16.46p) at the end of the last financial year emerged as 10.2p (7.89p) at November 19.

The Board says that substantially the whole of the expansion in profitability before exceptional items in the 1978-79 year came from the fashion division but factory losses in the West German subsidiary were made worse following a fire towards the end of the financial year.

Trading conditions in West Germany worsened and the subsidiary was closed. Terminal losses are estimated at about £80,000 and will be treated as extraordinary items in next year's accounts.

Tax relief last year amounted to £3,000 (nil) and after dividends, £28,000 (same) and extraordinary debits, £8,000 (£35,000) an amount of £62,000 (£136,000) was retained.

KEEP INVESTMENT TRUST SALE

Following its offer for sale of 10m shares of 5p, The Keep Investment Trust has received valid applications for a total of 1,216,500.

Applications for the minimum of 3,000 shares will be allotted in full, and all other applications will be reduced by 11 per cent. Renounceable certificates will be posted on Wednesday, February 6.

Town and City loss £7.58m

CONTINUING high interest charges of £14.11m against £11.61m have pushed Town and City Properties into a further loss for the half year ended September 28, 1979—the deficit this time is £7.58m against a £7.66m loss in the same period of the previous year.

Gross income from property was £17.51m (£17.54m), net property income, £3.17m against £1.79m and income from other sources was £3.36m compared with £2.16m.

The half year loss is before tax relief of £3.58m against £3.48m. For the year to March 24 last the group loss before tax was £13.93m.

Realised capital profits in the half year rose sharply from £3.82m to £17m and has been transferred to capital reserve.

The profit this time comprises £17.59m surplus of sale proceeds over original property cost (less capital gains tax) before deducting £417,000 excess of cost of acquisition over net tangible assets of subsidiaries written off and £167,000 net capital losses.

Since the publication of the annual accounts last July, a further £25m of property has been sold with a book value of £21m. This brings the total of sales since March 25 to £45m with a book value of £26m.

At the end of the first half year, the shortfall of distributable income amounted to £4.01m against £4.17m.

See Lex

British American improves

ATTRIBUTABLE PROFITS of British American and General Trust advanced from £970,463 to £1.26m in the year to December 31, 1979, after charges, including tax, of £719,247 against £607,012.

A final of 1.3p (1.125p) lifts the total dividend for the year to 2.342p (1.85p), including a non-recurring payment of 0.217p relating to special dividends from Shell.

Gross revenue rose from £1.92m to £2.16m and stated earnings per 25p share are up from 1.95p to 2.51p. The net asset value is 52.2p (54.1p).

GRA surges past £1m with 84% improvement

REFLECTING improved trading figures and a reduction in interest payable, profits of GRA Property Trust, organiser of greyhound, speedway and stock car racing, jumped 84 per cent from £566,000 to £1.04m in the year to October 31, 1979.

Trading profits rose from £1.39m to £1.67m on turnover steady at £10.88m (£10.26m). Investment income adds £12,000 (£11,000) and interest charges fell from £830,000 to £641,000.

Profits before tax on asset sale was £9,000 (£459,000) and since the year end, further disposals have brought the total to £525,000, of which £425,000 has been applied in reduction of secured debts. Negotiations for the sale of a further £450,000 of charged assets have reached an advanced stage, adds Mr. E. J. Aaronson, the chairman.

The company, which is unquoted, came under a scheme of arrangement on January 1, 1976, since when creditors have been reduced from £22.14m to £7.42m at October 31, 1979, with £555,000 coming in the last year.

A total of 75p in the pound has been repaid to unsecured scheme creditors following the payment on January 31, 1980 of a further £290,000, representing 10p in the pound.

£2.8m rise at Radio Rentals

PRE-TAX profits of Radio Rentals (Holdings), a subsidiary of Thorn Electrical Industries, rose from £18.88m to £21.69m in the six months to September 30, 1979, on turnover £8.11m higher at £75.82m.

The taxable surplus was struck after depreciation of fixed assets and equipment on rental of £1.94m (£3.83m), hire of television sets from immediate parent company and fellow subsidiary of £15.93m (£12.99m), and interest of £87,000 (£100,000).

After tax of £11.08m (£9.79m), the net balance came through ahead from £9.07m to £10.61m.

In the last full year, pre-tax profits reached a record £37.29m.

BIDS AND DEALS

John Brown sells rest of Westland stake for £7m

John Brown, the construction and engineering group, has taken advantage of the sharp upturn in Westland Aircraft's fortunes to sell its remaining 16.4 per cent stake in the helicopter and hovercraft group for nearly £7m.

The sale of the 9.74m shares, a remnant of the group's much larger holding acquired during the Second World War, comes just after a bid of $80m (£35m) by John Brown, for a U.S. plastics and textile machinery manufacturer, Leesona Corporation.

But John Brown's chairman, Mr. John Mayhew-Sanders, said there was no connection between the two deals. "We shall still borrow the full amount of the Leesona price," he said. The Westland shares had been sold because of the strength of the company's share price after the announcement last month of a 1979 pre-tax profit of £15.3m after a loss the year before of £2.9m.

The shares were placed in the market at just over 70p each with around 40 institutions by merchant banker J. Henry Schroder Wagg and by Rowe and Pitman, brokers to Westland.

The Westland share price eased by 2p to 76p yesterday after news of the placing, with that of John Brown adding ½p to 58p. The sale price of £6.8m compares with a £4.58m book value at March 31, 1979 for the stake in Westland.

Mr. Mayhew-Sanders said the shares had not been sold simply to obtain cash for immediate needs. The formal offer document for the Leesona bid discloses that John Brown had cash holdings of nearly £30m last month. "It was the right time to do it," he commented.

John Brown has already indicated that ownership of the Westland shares did not accord with its own industrial logic, he added, since the stake was purely historical.

SIDLAW BUYS SUPPLY GROUP

Sidlaw Industries has bought Supply Ship Services (UK), a private company engaged principally in the supply of bonded goods to the North Sea oil industry.

The total initial consideration of about £382,000 will be satisfied by the allotment of 325,000 ordinary Sidlaw shares, £25,000 cash, and by the issue of £97,000 10 per cent unsecured loan stock 1985 of Sidlaw which will not be listed.

Additional consideration up to a maximum of £150,000 may be payable in respect of the amount, if any, by which the audited profits before tax of SSS for the period from December 1, 1979, to September 30, 1982, exceed £258,540.

In the year to March 31, 1979, pre-tax profits of SSS were £133,178 and net tangible assets amounted to £132,000.

SSS will become part of Sidlaw's Oil Services division and will complement the activities of Aberdeen Service Co. (North Sea) by extending the range of services and supplies offered to North Sea operators.

BOC DISPOSAL

BOC International has sold part of its engineering division, Murex Positioning Equipment, of Merseyside, to Courtburn of Bedford for about £1m.

MPE makes specialist welding positioning and associated equipment, but the sale will not affect any other part of BOC's gas and electric welding products business.

MR. LING SELLS BELHAVEN SHARES

Mr. Roy Ling, a director and former chairman of Belhaven Brewery, where Mr. Eric Morley, recently took over the chair, has sold 40,000 shares in the company.

Mr. Ling said yesterday that he sold the shares because he needed the money to pay taxes. He now holds 527,275 shares, which includes those alloted to him under the Ashpoint deal. Mr. Ling considers this to be a good stake in the company.

FITCH LOVELL/ CHALLENGE CORP.

Lovell and Christmas, a subsidiary of Fitch Lovell, is to buy as a going concern the UK business and assets of the Wrightson Dairyhouse division of Wrightson NMA, a subsidiary of Challenge Corporation of New Zealand.

The total purchase price will be £350,000 cash for fixed assets and goodwill, and a further amount for net current assets to be determined by reference to the audited accounts.

The Wrightson Dairyhouse division is a UK distributor of dairy products, canned goods and other food products from London and Manchester.

TYCO HAS 23% OF MUIRHEAD

Tyco Laboratories now owns nearly 23 per cent of Muirhead, the British electrical and electronics concern, following its purchase this week of a large slice of the equity formerly owned by the Kuwait Investment Office.

But Muirhead, which has just reported a sharp drop in profits last year from £2.14m to £911,000 before tax, said it remains in the dark about Tyco's intentions. The 8.4 per cent stake owned by the Kuwaitis was sold in the market on Wednesday.

No comment was available yesterday from Tyco, which said early last month that its holding was purely an investment. "We have no intention of going past that stage," said Mr. Edward Johnson, a director of Tyco, when the group lifted its stake to just over 14 per cent a month ago.

Muirhead's share price gained 9p to 205p ex-dividend yesterday on news of the movement in the stake.

RANK-INGHAM UNCONDITIONAL

The offer by Rank Organisation for R. E. Ingham is now unconditional. The offer will involve the issue of 637,124 Rank ordinary shares and the payment of £653,177 in cash.

TRICENTROL/ CABLEFORM

Acceptances of the recommended offers on behalf of Tricentrol for Cableform, which were declared unconditional on January 15, have now been received from the holders of over 92 per cent of the ordinary share capital and over 91 per cent of the preference share capital of Cableform.

Tricentrol intends to acquire compulsorily any outstanding new ordinary shares, deferred shares and preference shares of Cableform. In the meantime, the offers remain open for further acceptances.

WALKER & HOMER

Walker and Homer, the loss-making upholstered furniture maker, has concluded a consultancy agreement with Mr. David Mears, the former deputy managing director of Christie-Tyler, the furniture maker.

The company is in talks with Mr. Mears, who resigned from Christie in October 1979, which may lead to a closer association.

Walker, which has suffered a setback from profits of £0.58m in 1974/75 to a loss of £87,000 in 1978/79, did not expect discussion to reach a conclusion for several weeks.

ELECTRA/JANTAR

Electra Finance Company, the investment dealing offshoot of Globe Investment Trust, has disposed of 130,000 ordinary shares in Jantar. This represents Electra's entire holding in that company.

Evode makes second-half upturn to finish £0.3m higher at £1.6m

A STRONG second six months at Evode Holdings more than offset the first-half shortfall, and the year to September 29, 1979, finished with taxable profits up from £1.34m to £1.61m. Turnover rose 17 per cent to £29.04m.

The directors of the adhesives and joining compounds manufacturer say trading for the first quarter of the current year is satisfactory. However, they are concerned about the immediate outlook for the UK and world economy.

At halfway, profits slipped from £371,844 to £322,311. But the directors expected full-year results to compare favourably with last time.

The net total dividend is lifted from 1.1593p to 1.4p, with a final of 0.975p. After a reduced tax charge of £316,000 (£457,000), stated earnings per 20p share are higher at 8.14p (5.54p).

There are extraordinary debits of £60,000 (£476,000), which mainly relate to a provision made for the group's interest in a small German sales subsidiary.

The directors say that, during the past year, steps have been taken to terminate overseas activities which were losing money or not making an adequate return. The provision made last year for the disposal of Societe Chimique Emfi, France, have proved to be wholly adequate, they add.

Full-year taxable profits include £35,000 (£33,000) share of associates' profits.

● comment

After the drop in half time profits of 13.3 per cent Evode has staged a second half recovery with a profits advance of a third leaving the full year up by a fifth. The main impetus behind the closing six months' better performance came from the disposal of loss-makers during the past year. Also trading in the second half was more buoyant, especially in the DIY sector. The latest figures are encouraging and continued progress during this year could vindicate the controlling family's decision last summer to turn down several bid approaches, of which one at least was pitched at 61p per share. But at 44p, some minority shareholders may feel less enthusiastic about the family's choice to sustain independence. The p/e on stated earnings comes out to 5.4, or 9 fully taxed, while the yield rises to 4.5 per cent after the dividend rise of a fifth. Not a particularly enticing rating on straight trading grounds and any bid approach is presumably ruled out.

The group had made considerable efforts to overcome the effects of national strikes. Sales were showing increases compared to the corresponding period last year, although in some cases, due to competition, weakness of demand and high interest rates, margins had suffered, said the chairman.

Gallaher tops £63m

FOURTH-QUARTER profits of Gallaher improved from £16.2m £18m, and the year to December 31, 1979, finished with the pre-tax surplus £12.2m higher at £63.2m.

Sales of the tobacco and cigarette subsidiary of American Brands Inc. of the U.S. rose from £1.52bn to £1.62bn.

The tax charge of £17.6m (£26.2m) has been reduced by £14.1m as a result of the write-off of stock appreciation relief.

Pre-tax profits were struck after depreciation of £12.9m (£11.7m) and reduced interest of

CMT trading rationalisation

Central Manufacturing and Trading Group, has decided to stop trading in flat rolled steel products as from January 31. This move would improve group finances by about £3m, Mr. Tony Hickman, the chairman told the annual meeting.

Further surplus properties in the group were being placed on the market which should realise about £2m. The board was also critally reviewing the contribution to group profits of each of the CMT companies, Mr. Hickman said.

Ashley Trust expects similar result

Ashley Industrial Trust, formerly Thames Plywood Manufacturers, reports an improvement in turnover and profits for the six months to October 31, 1979, and the directors say profits for the current year are expected to be at a similar level to last year's £252,000.

First half turnover was up from £1.4m to £1.63m and pre-tax profit was higher at £133,000 against £110,000. The interim dividend is lifted from 1p to 1.2p—the total last year amounted to 2.3p.

Profit in the first half last year was before an extraordinary debit of £18,000.

Ashley has also entered into a conditional contract to acquire Autoturfcare and Turf Machinery (London) of Darlington and Guildford respectively for £475,000 in cash and an issue of 120,000 Ashley Ordinary.

LOUIS EDWARDS

Provisional allotment letters have been sent to shareholders of Louis C. Edwards and Sons (Manchester) in connection with the rights issue to raise £603,000.

A total of 1.8m new shares are being offered at 33½p per share on the basis of one-for-ten. The issue is being made to assist in the financing of the purchase of Cordon Bleu Freezer-Food Centres.

Court Line creditors get dividend after £2m sale

CREDITORS of Court Line, the former holiday group, are to receive a third dividend of 7p in the pound following the sale of the company's last major asset for around £2m.

The Halcyon Days hotel in St. Lucia, the largest of Court Line's four Caribbean hotels, brings the total distribution to date to 14p in the pound.

Mr. Guy Parsons, the co-liquidator, said admitted unsecured creditors could eventually receive almost 20p in the pound although the closing of the affair might take another three to four years.

Creditors have now been allocated more than the 10p in the pound originally indicated in 1976. Mr. Parsons, of accountants Peat Marwick Mitchell, said this was partly because Peats have brought the Caribbean hotels back to profit.

Overall, the creditors figure has been reduced from an original indication of £73.6m to a likely claims total of £45.5m. The reduction is largely due to out of court settlements on outstanding claims, notably those on Burngreen Securities. In addition, the liquidators have realised well over £1m through the sale of capital gains losses.

Berwick Timpo appointment

The post of managing director of Berwick Timpo Group, vacant since Mr. Torquil Norman resigned in May last year, has been filled by Mr. Ken Simmonds, one of the directors who opposed Mr. Norman's fight to return to the board.

Mr. Simmonds, who has been in the toy trade for 20 years, became associated with the group when the company of which he was a director—Peter Pan Playthings—was acquired in 1973. He subsequently became managing director of Berwick's Toy Company, a subsidiary.

He was appointed to the main board in May last year shortly before Mr. Norman launched his unsuccessful bid to displace the chairman, Mr. John Oakley, and another director.

Mr. Simmonds remains as managing director of Berwick's Toys.

City of London Brewery Trust

Including special non-recurring dividends, net revenue available to deferred stock holders of The City of London Brewery and Investment Trust rose 47.9 per cent to £1.17m for the half year to December 31, 1979.

Excluding these special dividends the increase was 31.9 per cent. At halftime, total assets, net of current liabilities, were £42.4m, against £45.3m six months earlier.

Net asset value per 25p deferred stock unit was down 7.1 per cent at 81.1p (87.3p at June 30). So far in the current year two quarterly dividends of 0.88p have been declared and a 3.52p total is forecast.

Gross revenue for the six months was £0.53m higher at £1.92m.

COLONIAL SECS.

Net revenue of Colonial Securities Trust Company for 1979 advanced from £281,297 to £322,188. Tax for the 12 months took £192,906 compared with £184,404.

With a final payment per 25p share of 8p net, the dividend total is stepped up from 9p to 10.5p.

UEI buying Cosworth Eng.

United Engineering Industries, the Manchester-based heating system, TV camera and electronics group, has agreed to acquire Cosworth Engineering, best known for its Formula 1 Grand Prix engines, in a deal worth up to a maximum of £6.35m.

Cosworth, a Northampton-based private company, was established by the present chairman and chief engineer, Mr. D. K. Duckworth, to design, develop and make specialised engines and components for motor racing and competition. The company's Formula 1 engines have been winning races since 1967.

Group sales of Cosworth in the year ended April 30, 1979, amounted to £4.38m and pre-tax profits were £1.38m. Net tangible assets stood at £2.83m. Current year profits are forecast at not less than £1.6m.

The purchase price will comprise £3.4m by way of guaranteed floating rate loan notes and the balance in 2.5m new UEI shares, valued at 100p each. If the forecast profit for 1979-80 is exceeded, a further £450,000 will be payable in cash but if the profit is below expectations the further amount will be reduced proportionately.

The UEI acquisition includes the shares not owned by Cosworth in its U.S. subsidiary, Cosworth Engineering Incorporated. CEI was set up in Los Angeles in 1977 to handle the sale, service and rebuilding of Cosworth's products in the U.S.

In 1978-79 UEI profits increased from £1m to £1.53m and Mr. C. Boardman, the chairman, forecast a further significant rise in the current year. In the six months to July 31, 1979, profits had moved ahead from £0.68m to £1m.

EMESS LIGHTING

The offer for Emess Lighting has expired. Acceptances of the offer by Wideham Trust have been received for 6,742 ordinary shares.

DRILLING TOOLS

The board of Drilling Tools North Sea announce that an approach has been received which may lead to an offer being made for the company.

NO PROBE

The acquisition by Unigate of certain assets of Allied Breweries is not to be referred to the Monopolies Commission.

ACT/COMPUTHINK

Applied Computer Techniques (Holdings) has signed a conditional agreement with Computhink Corporation, of Sunnyvale, California, mainly to strengthen the existing trading relationship between the two companies. ACT would provide some exclusive UK distributor for Computhink products, which are microcomputers and peripheral equipment.

As part of the arrangements, ACT should provide some £200,000 additional working capital for Computhink which will entitle ACT to not less than 20 per cent of the enlarged equity.

SHARE STAKES

London United Investments — Mr. C. R. Driver, chief executive, sold 240,000 shares at 135p on January 29.

Dople International — W. S. Yeates have disposed of 2.8m shares. Their total holding is now 2.14m shares (5.21 per cent).

Stewart Wrightson Holdings — J. M. Bazell, as trustee of the Lloyd's Underwriting Trust Fund, has disposed of 3,360 shares.

Rexmore — A. Rosenblatt, director, has disposed of 20,000 ordinary. His holding is now 548,385 shares (5.379 per cent).

Christy Brothers—P. B. Blake, chairman, has acquired 25,000 shares.

King and Shaxson — Sir Eric Penn has sold 18,264 shares.

Results due next week

Analysts are reluctant to give too many hostages to fortune in forecasting Lonrho's 1978-79 profits, to be announced on Tuesday. The consensus is for between £93 and £95m, though the figure could emerge at around £100m if there is further writing back of over-depreciation, which made up 14.9m of 1978's £93.6m profits. Mining should show substantial growth, with its profits contribution perhaps trebled from last year's £9.6m. Holding down profits will be interest on increased borrowings, which stood at £322.6m in July, and poor performances by UK and West African trading interests. But while forecasters see stagnation for 1978-79, the current year should bring impressive grow in mining profits, particularly platinum.

Analysts are uncertain about the extent of the effects of the engineering dispute on Dowty Group's first half results, which are due out next Wednesday. For that reason, forecasts are wide ranging although most estimates put pre-tax profits on a par with the £14.12m earned in the previous comparable period. Barring any similar disputes, the setback should only be temporary as the group is engaged in two major growth sectors—aviation and coal mining. Both divisions are now working at close to capacity. Aerospace orders stretch ahead for about five years with a heavy emphasis on military projects such as Tornado, where much of the work is still to come. On the mining side, Dowty is well into the huge Chinese contract while there have been substantial orders coming in from new overseas customers, particularly from South Africa where Sasol's oil-from-coal project is picking up momentum. For the full year profits estimates at this stage are around £35m, against £31.2m.

There is a wide range of estimates concerning the half-time figures to be revealed by UDT next Wednesday. The most important factor must be the impact of high interest rates on the instalment credit business. The signs are that this will be a negative impact, given a significant proportion of fixed rate lending. On the non-hire purchase side of the group, the International Commodities Clearing House operation may improve and so might vehicle leasing, but probably not enough to counterbalance the interest rate damage. Last year's interim profit was £8.5m before taxes and analysts would probably be pleased to see this repeated.

Other results to note are interims from Unitech and Mining Supplies, and preliminaries from Scottish Agricultural Industries.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Aaronson Bros.	Tuesday	1.0	2.5	1.2
English & New York Trust	Tuesday	1.25	1.75	1.5
Mirst & Mallinson	Friday	1.0	1.0	1.3
Lonrho	Monday	2.4	4.25	2.64
Pentland Investment Trust	Monday	1.5	3.05	1.6
Plastic Constructions	Thursday	0.76	1.56	0.836
Scottish Agricultural Industries	Thursday	5.0	7.5	5.75
Sterling Trust	Wednesday	2.2	4.7	3.5†
INTERIM DIVIDENDS				
Apex Properties	Monday	0.5	1.1	
Ashley Industrial Trust	Monday	1.0	1.3	
Bann Brothers	Wednesday	0.9	2.1	
Crouch Group	Tuesday	1.0	3.0	
Hillards	Monday	1.0	2.5	
M.L. Holdings	Thursday	2.0	4.0	
Smith Bros.	Wednesday	1.5	0.1	
Steinberg Group	Tuesday	0.32	0.7798	
Unitech	Tuesday	1.675	3.329	
Vibroplant Holdings	Monday	4.422	7.98	
INTERIM FIGURES				
Carrington Investments	Wednesday			
Dowty Group	Wednesday			
Mining Supplies	Wednesday			
Mountleigh Group	Thursday			
United Dominions Trust	Wednesday			
Whitworth Electric (Holdings)	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes 1.0p non-recurring dividend.

SPAIN

February 1	Price %	+ or −
Banco Bilbao	212	+4
Banco Central	224	
Banco Exterior	211	
Banco Hispano	210	
Banco Ind. Cat.	135	
Banco Madrid	173	−2
Banco Santander	244	
Banco Urquijo	157	
Banco Vizcaya	218	+3
Banco Zaragoza	200	
Dragados	103.5	−1.5
Espanola Zinc	62	
Fecsa	58	
Gal. Preciados	35	−1
Hidrola	62.2	
Iberduero	60.7	−0.3
Petroleos	116.5	−0.5
Petroliber	73	
Sogefisa	115	
Telefonica	57	+1
Union Elect.	62	−1

MINING NEWS

'Old Mutual' bid for Lydenburg Platinum

BY KENNETH MARSTON, MINING EDITOR

THE BIDDER for the South African platinum investment company, Lydenburg Platinum, turns out to be South African Mutual Life Assurance Society —the "Old Mutual." In exchange for a portfolio of investments it has acquired the holdings in Lydenburg of General Mining and Sentrust.

This raises the Old Mutual's holding in Lydenburg from approximately 21 per cent to approximately 42 per cent. The value of the deal is put at R10.7m (£5.8m), equivalent to 345 cents (184p) per Lydenburg share, there being 3.1m of the latter involved.

Old Mutual now intends to extend an offer of 345 cents cash per share to the remaining shareholders of Lydenburg.

Meanwhile, Lydenburg has agreed to sell to General Mining, at a price to be agreed, all of its mineral and mining rights, participation rights and property holdings. But Lydenburg will retain a right of participation in any future mining development resulting from the rights sold.

From Johannesburg Jim Jones writes: Although it is denied by the parties concerned, analysts here feel that the Old Mutual acquisition of the Lydenburg shares previously held by General Mining and Sentrust presages acceptance by the Old Mutual of the current offer of 80 General Mining shares for every 100 shares in Union Corporation; prior to the offer General Mining held 51.7 per cent of Union Corporation.

It is thought that the General Mining group-Old Mutual share exchange contains none of Old Mutual's 4.5 per cent stake in Union Corporation. But there is no comment on whether the deal includes any shares in Impala Platinum, which is effectively controlled by General Mining.

Lydenburg's main asset is a stake of 8.4 per cent in Rustenburg Platinum Mines. It also has a 25 per cent participation right in mineral rights on farm Vermeulenskraal-Noord in the Orange Free State, the gold potential of which is being re-examined in the light of current high gold prices.

WHITE: SHARE PRICE SOARS

The price of White Industries shares erupted to A$30.50 (£14.85) from A$15 on Australian markets yesterday as 13 per cent of the issued capital changed hands and four broking firms competed strongly for stock, reports James Forth from Sydney.

The company, a New South Wales coal producer, said in response to a Stock Exchange query that it had concluded another company or group was trying to build up a strategic stake. But there had been neither a takeover offer nor an offer to buy the 20 per cent stake held by the White family or the 8.8 per cent stake owned by Mitsubishi, the Japanese group.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Birmingham and Midland Counties Trust, controlled by Mr. Graham Ferguson Lacy, intends to make a 33p per share cash bid for **Bernard Wardle**, the vinyl fabric and motor component concern of which it already owns 29.9 per cent. The terms value Wardle at nearly £6m, but Mr. Ferguson Lacy wants to keep hia eventual stake at approximately 50 per cent and to maintain Wardle's Stock Exchange listing. The latter's Board has advised shareholders to take no action until it makea a further announcement.

Sunderland-based brewer **Vaux** is selling its Scottish tied estate comprising 214 public houses, a hotel and a restaurant, to **Ind Coope**, a subaidiary of **Allied Breweries** for £20.9m. Payment was made by the issue of 29.65m Allied shares, which were placed with institutions at a fraction over 71p. Vaux's Scottish subsidiary Lorimer's, already under the threat of closure because of its ailing fortunes, will be closed and Allied will serve its new outlets in part from its Alloa brewery which has considerable spare capacity. Allied's share of the Scottish beer market will rise from 6 to 10 per cent. Vaux has agreed to buy 10 public houses and a hotel in the North of England from Allied for £1.35m.

BTR, the rubber and engineering group, is expanding in Europe with the £1.2m cash purchase of a 61.5 per cent stake in **Gummiwerke Becker**, a West German manufacturer of roll coverings and tank linings, while **Newman Industries'** subsidiary, **Grindleys of Stoke (Ceramics)**, completed the purchase of **Ceramix** from **Maddock** for a total consideration of £1.7m.

Cordon Bleu Freezer-Food Centres, newly- acquired subsidiary of **Louis C. Edwards**, is to buy **Dalgety Frozen Foods**, a Dalgety subsidiary, for £850,000 cash. DFF operatea 33 stores principally in the South East.

Company hid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Armitage Shanks	98	96½	55	30.86	Blna Circle	21/2
Bowring (C. T.)	166	142	141	182.1	Marsh and McLeanan	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	—
Decca	377§	390††	355	25.89	Racal Electronics	—
Decca 'A'	339§	338††	320	37.31	Racal Electronics.	—
Dolel Tea	270*	270	215	0.29	Tategold	—
EMI¶¶	142	123	95	157.85	Thorn Elect.	—
Empire Plants.	24*	23½	19½	0.80	Caparo Invs.	—
FPA Const.¶¶	15	15	18	1.19	Heywood Williams	—
Nationwide Leisure	6*§	6	9	0.66	Rantlodga	—
Royco	50*	48	41	5.00	Bonnerpark	—
Scottish Homes	48*	44	43	3.36	Barratt Dev.	4/2
Shakespeare (J.)	30§§	26	15½	2.32	Wheway Watson	8/2
Vita Tex	120*†	123	71	4.03	British Vlta	5/2
Wardle (B.)	33*§	33½	28½	4.15	Birmid & Mid. Counties Tst.	—
West of England Trust	92	94	76††	14.4	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 1/2/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Textiles	Sept.	3,251	(3,228)	25.5	(22.4)	7.24	(6.03)
BAT Industries	Sept.	428,000	(433,000)	65.4	(65.2)	22.3	(14.5)
Blundell Prmglze.	Oct.	2,190	(1,780)	23.4	(14.9)	4.8	(3.6)
Braid Group	Sept.	746	(871)	11.7	(13.8)	1.77	(1.54)
Brentnall Beard	Sept.	1,202L	(526)L	—	(—)	—	(0.57)
Glass Glover	Sept.	533	(481)	4.4	(3.8)	1.85	(1.37)
Hill and Smith	Sept.	880	(1,054)	14.2	(17.0)	3.6	(3.0)
IDC Group	Oct.	1,254	(1,124)	150.4	(25.4)	11.5	(10.0)
Kellock Hldgs.	Dec.	150	(71)	5.5	(2.5)	0.5	(0.5)
Lonsdale Univrsl.	Sept.	1,454	(1,618)	11.9	(13.8)	5.17	(4.14)
Maddock	June	688L	(248)	—	(2.0)	—	(0.39)
Pratt (F.)	Oct.	836	(952)	20.7	(13.3)	6.0	(5.37)
Prestige	Dec.	5,861	(6,850)	18.9	(20.8)	6.88	(6.24)
Rue Estates	June	301	(605)	13.0	(21.0)	4.5	(9.0)
Trident TV	Sept.	7,514	(9,015)	5.7	(10.8)	3.48	(3.16)
Vantage Secs.	Dec.	41	(31)	1.1	(0.7)	0.9	(0.65)

Scrip Issues

Hill and Smith: One for 10.

IDC Group: Three for two.

Offers for sale, placings and introductions

Rickmansworth and Uxbridge Valley Water Company: Offer for sale by tender of £3m 9 per cent redeemable preference stock 1985.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Armour Trust	Oct.	241	(217)	—	(—)
Assocd. Dairies	Oct.	22,540	(15,090)	2.0	(0.47)
British Land	June	973	(265)	—	(—)
Cantons	Oct.	155	(341)	0.83	(0.83)
Christie-Tyler	Oct.	1,620	(1,530)	2.0	(1.8)
Cntry. & N. Town	July	551	(293)	0.2	(0.2)
Ellis & Everard	Oct.	835	(546)	2.5	(2.25)
Garford Lilley	Sept.	240	(47)	0.25	(0.19)
Grimshawe Hldgs.	Oct.	119	(104)	—	(—)
Hendersn.-Kenton	Sept.	437	(607)	1.25	(1.0)
Hensher Furntre.	Sept.	395	(342)	—	(—)
Longton Ind. Hlds.	Sept.	942	(824)	1.4	(1.25)
Manson Finance	Oct.	427	(316)	1.5	(1.13)
Neepsend	Sept.	808	(396)	1.02	(0.92)
Newmark (Louis)	Sept.	1,110	(983)	3.5	(3.0)
Oceana Cons.	Sept.	35	(49)	—	(—)
Prtsmth. Sndrlnd.	Dec.†	3,130	(2,230)	—	(—)
Reardon Smith	Sept.	1,101L	(1,770)L	—	(—)
Reed Intntl.	Dec.†	80,060	(83,100)	—	(—)
Rosgill	Dec.	483	(720)	0.75	(0.75)
Sommerville (W.)	Nov.	175	(189)	0.55	(0.55)
Stewart Plastics	Oct.	1,058	(930)	1.02	(0.51)
Stoddard Hldgs.	Nov.	370	(426)	0.56	(0.53)
Stirling Knitting	Sept.	243	(204)	0.35	(0.35)
Syltone	Sept.	820	(701)	1.8	(1.56)
Textured Jersey	Oct.	343	(264)	1.5	(1.0)
Warren Plantation	June	740	(1,720)	3.0	(2.35)
Wrthngtn. (A. J.)	Sept.	72	(157)	0.41	(0.34)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † For nine months to December 1979. L Loss.

£50m office scheme for Victoria Station

BY MICHAEL CASSELL

BRITISH RAIL and Greycoat London Estates submitted plans to Westminster City Council yesterday for a £50m scheme to build a rail-air terminal and office complex over Victoria Station.

The new terminal would consist of a "raft" above platforms 9-17, and is designed to speed travel for Gatwick airport.

Plans for redevelopment of the station have been discussed for many years, and several schemes considered.

Greycoat, which owns the freehold on part of the station site, has co-operated with British Rail for over two years. The plans have been devised in close consultation with Westminster Council.

The office development would comprise about 220,000 sq. ft. gross of new space as well as car parking, and cost about £25m.

Greycoat said last night that it was responsible for financing this portion of the scheme, and that talks with institutional backers were being held. BR would finance the remainder of the complex, costing a similar figure.

The whole scheme could be completed by 1984. The new station facilities would enable passengers arriving by car to drive on to the raft, which would house rail and airline ticket offices.

They would check in their baggage and then take escalators down to the platforms for trains to Gatwick.

Passengers arriving by rail or other public transport could check in at the station.

The raft would provide space for two more platforms to be reserved for the Gatwick link.

BR said that there was "urgent need" to improve facilities for Gatwick, as the airport's throughput of passengers was expected to rise from 7.8m in 1978 to 16m in 1984. A second terminal, now the subject of a public inquiry, could take the figure to 25m by 1991.

About 40 per cent of Gatwick passengers travel there by rail and 85 per cent of these use Victoria.

● John Griffiths writes: Southern Region unveiled the first of a fleet of "modernised" trains yesterday for its main-line services. They will be introduced at the rate of one a week over the next two years on services between Kent and Cannon Street, Charing Cross and Victoria.

Mr. John Pallett, the Southern Region general manager, said the £21m cost, £160,000 per train, was only a quarter that of introducing entirely new stock. The trains, some in use since 1955, have covered nearly 2m miles, have had their interiors completely rebuilt.

These trains are introduced little more than a month after a similar modernisation scheme for suburban services at Waterloo.

Southern Region intends eventually to refurbish or replace all its 5,000 coaches. With BR running at a loss with reduced cash limits, and seeking permission for major investments such as £150m on the 150-mph advanced passenger train, completion may take up to 20 years.

BR's Swindon workshops have been reorganised and re-equipped in the past 18 months to deal with the programme.

Scottish timber plant plans £5m expansion after facing closure

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ONE OF Britain's largest timber products plants is about to embark on a £5m expansion programme three years after facing closure.

The plant, at Cowie, Stirlingshire, was bought by the West German group, Bisonwerke Bahre and Greten, from the receiver of Scottish Timber Products in 1978 and was relaunched as Caberboard.

It has been operating profitably for the last two years and claims to have 10 per cent of the UK market for chipboard, used in the furnitureand construction industries.

Dr. Bob Stillinger, managing director, said yesterday that a new plant was now under construction on the site to manufacture medium density fibreboard. This is a new product currently being imported into the UK. It is gaining popularity because it is claimed to be more easily machinable than chipboard and can be painted and finished without having to be veneered.

Caberboard hopes to gain 50 per cent of the UK market for the new product this year and plans to increase its market share sufficiently in 1981 to be able to run the plant at full capacity.

Dr. Stillinger said that after the German company's takeover of the Scottish Timber Products plant there were difficult negotiations with the unions over a reduction in manning from 375 to 153.

But confidence between management and unions had now been restored, industrial relations were excellent and a self-financing productivity scheme had helped to increase output from an average of 400 to 500 cubic metres a day under the old ownership to the present 740 cubic metres a day.

The labour force is now 170 and the new process will initially add another 40 jobs.

Caberboard's use of timber will increase from 150,000 to 250,000 tonnes a year, creating a further 200 jobs in the forestry and haulage industries.

Dr. Stillinger said: "I hope we can get back to employing 375 people. We have the space for another small chipboard line and, since the new product is so easily machineable, the next stage could be a custom machining and finishing plant."

The Government is contributing £1m of the new £5m investment in the form of a regional development grant.

Mr. Alex Fletcher, Scottish Industry Minister, said the new process would be the first of its kind in the UK and only the second in the EEC. "It will therefore not only be of considerable benefit to the furniture industry in Britain, but will also assist the balance of payments by saving imports and increasing exports."

AA travel insurance offered to non-members

BY ERIC SHORT

THE Automobile Association is offering its Travelsure travel insurance to non-members through insurance brokers, who are being offered commission rates ranging up to 25 per cent.

AA Insurance Services, itself an insurance broking operation and a member of the British Insurance Brokers Association, has been designing insurance contracts for more than a decade, using several underwriters and marketing the schemes to members both by direct mail, and through AA branches. Initially they were motor policies, but the AA has handled most items of personal insurance including house and sickness.

Non-members have been able to buy AA insurance from its branches, and the association's travel insurance and Five Star plan have been available from some travel agents. But it has not actively promoted its schemes to non-members.

Travelsure insurance will cost the same through brokers as at AA branches.

The brokers allowed to market the plan must be registered brokers on the list required by the Insurance Brokers (Registration) Act, 1977. But the AA would consider agency applications if they fulfilled similar conditions of expertise and service as required for registered brokers.

The AA has no immediate plans to market other insurance products through brokers. But if this move is successful then the AA may use insurance brokers again.

Ford increases price of cars by 4 per cent

Financial Times Reporter

PRICES of Ford cars are to go up by an average of 4 per cent from Monday.

Ford, which captured a record 35.9 per cent of the UK market in the first 29 days of January, is among the last to raise its prices in the end-of-year round.

BL raised its prices by an average 4 per cent at the end of December, ahead of its new "Buy British" campaign, and this may have helped Ford's improved performance.

Ford increases range from £55 on a basic Fiesta, which becomes £2,924.71, to £440 on the top-line Granada 2800 Ghia automatic, which will cost £9,613.72. The popular Cortina 1600 GL model goes up by £206 to £4,794.05.

Ruling on police bank checks

A BANK'S microfilm records of cheques and transactions are "entries in bankers' books" and may be inspected by the police, two High Court judges ruled yesterday.

The judges rejected an appeal by an account holder who contended that the police should not be allowed to see microfilm entries of his account to discover the names of cheque payees.

Lord Justice Bridge and Mr. Justice Caulfield, in the Queen's Bench Divisional Court, held that records of transactions made by modern methods of technology were covered by the Bankers' Books Evidence Act, 1879.

The account holder, Mr. Alan William Barker, of York, had challenged a decision of York magistrates last April giving a detective permission to inspect the microfilm record of his account.

Mr. Justice Caulfield said that Mr. Barker had been charged with the theft of more than £38,000 from the North Yorkshire Fruit Company. He had given police copies of his statements of account, but these did not show the names of payees.

Lord Pearson praised

THE LORDS yesterday paid tribute to Lord Pearson, a Law Lord from 1965 to 1974, who has died at the age of 80.

In the 1960s, Lord Pearson chaired inquiries into several major industrial disputes.

Before the start of the steel union's appeal against the court ban on its private sector strike call yesterday, Lord Diplock, presiding in the Lords Appellate Committee, spoke of Lord Pearson's "yeoman service, not only to the law, but to the country in the widest sphere."

He was a man of great modesty, kindness and wisdom. "He not only made many friends, but did something more difficult—he never made an enemy."

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Yorkshire Bank	17 %
Eagil Trust	17 %		
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼%, and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

CORAL INDEX: Close 444-449 (−7)

● NEWS ANALYSIS—ROCKWELL'S SERCK PURCHASE

Logic forces them closer

BY RAY MAUGHAN

ROCKWELL International of the U.S. is no stranger to Serck or to many other areas of British industry. The decision to buy a 27.9 per cent stake in Serck may well have been prompted by a strong suspicion that another company, possibly BTR, had been active in the market for the shares. However, Rockwell, as Mr. John Pinckard, chief executive of Serck, said yesterday: "is an old friend."

Serck is strongly rumoured to have been approached by the U.S. group in the past about a possible merger. The two sides had a joint venture, Rockwell Audco, based in Switzerland, until eight years ago. The connections were strong. Based mostly in the U.S., Rockwell is the largest world manufacturer of plug valves. Serck, second to Rockwell in this market, makes most of its sales outside North America.

The Rockwell Audco liaison was ended because both partners recognised that they were not getting the best out of the venture.

Rockwell, in the meantime, has been establishing a UK base to complement its major businesses in automotive components, electronics and the loose agglomeration of what it describes as general businesses, including valve manufacture.

Its general industries include an industrial sewing machine manufacturer in Leicester, Rockwell-Rimoldi and a printing presses subsidiary in Preston, MGD Graphic Systems. Rockwell also owns McEvoy Oilfield Equipment in Woodchester, Gloucestershire, in which Pegler-Hattersley, a leading UK valve manufacturer, has a 49 per cent interest.

The Rockwell-Collins subsidiary has a UK base in Reading, Berkshire, where it manufactures defence electronic communication equipment. The U.S. group embarked on one of its most important UK deals last year with a bitterly contested, but ultimately successful £24m offer for motor components manufacturer, Wilmot Breeden.

The UK automotive components division now comprises Rockwell-Maudslay which makes axle housings, gearing, chassis and other castings near Stratford-on-Avon. This business is complemented by the Rockwell-Thomson pressings operation in Wolverhampton. Wilmot Breeden and its offshoot, W. B. Bumpers operate from Birmingham while other companies include Telehoist in Cheltenham, the Truflo industrial valve operation in Tipton and ACS Engineering in Nottingham.

Rockwell is perhaps best known as the principal contractor for the Space Shuttle Orbiter. Its net worth at September 30 was up from $1.355bn 12 months before to $1.539bn.

Three years ago, profits reached £9.32m, matching the forecast made during the spirited defence against the all share offer from Associated Engineering, then worth almost 90p per share. The intervening years have seen a rapid decline to the point where pre-tax profits in the year to September 30, 1979 were only £1.6m.

The problem of depressed demand had been aggravated by a series of strikes in the heat transfer, tubes and foundry divisions, and a programme of substantial cost cutting, culminating in the closure of the tubes division, trimmed profits by a further £3.1m.

The 1979 dividend cut from 6.53p to 3.4p per share was a bitter experience. The shares were trading near a 12-month low of 35p before interest began to quicken earlier this week.

Cazenove, the stockbroking firm which arranged Rockwell's London quotation last spring, had little difficulty in finding 12.65m Serck shares for its client yesterday morning.

But, while Rockwell was stressing that the investment had been made "without commitment as to the future," it is believed in the industry that a bid is inevitable. For the moment, both sides are keen to set a date for an early meeting. Mr. Pinckard would be the first to agree with Mr. Robert Anderson, Rockwell's chairman, that the commercial logic of putting the two businesses together is inescapable. Whether Serck is in a position to repeat its past successful defence tactics after the difficulties of the past three years is another matter.

APPOINTMENTS

Hogg Robinson senior team

HOGG ROBINSON GROUP has named its senior management team following the merging of its international and reinsurance divisions into one subsidiary company. Mr. J. G. Hogg will be chairman of the new company; Mr. R. B. Keville deputy chairman and chief executive of the marine division; Mr. G. T. Geddes, managing director and chief executive and Mr. D. W. T. Mackenzie chief executive of the North American division. Mr. T. L. F. Royle has become chairman of Hogg Robinson Overseas. Mr. K. G. Weir has been appointed deputy chairman of Hogg Robinson and Mr. P. E. Paulson, managing director. Mr. H. M. J. Ritchie has been appointed managing director of Hogg Robinson (UK).

★

Mr. J. H. Forbes Macpherson, senior partner in the Scottish office of Touche Ross and Co., has been elected president of GLASGOW CHAMBER OF COMMERCE in succession to Mr. Ian Lyall.

★

Mr. James W. M. Wilson has been appointed managing director of WILSONS BREWERY, Manchester. He succeeds Mr. Mike Kettell who has moved to Watney's, London.

★

Mr. Guy Dinning has been appointed Group secretary for WILLIAM LEECH. He succeeds Mr. John Livingston, who has retired.

★

TYNE TEES TELEVISION has appointed Mr. John Tonge, general manager, and Mr. Andy Allan, programme controller, directors.

★

Mr. Michael Aldrich has been appointed as managing director of REDIFON COMPUTERS.

★

Mr. John A. Griffin has been appointed to the Board of G.T. UNIT MANAGERS.

★

Mr. Phillip Sober has been appointed chairman of the European Regional Organisation (ERO) of HORWATH AND HORWATH INTERNATIONAL (HHI), the world-wide network of independent accounting firms. He is the international liaison partner in the London firm of Stoy Hayward and Co., the UK representative of HHI.

★

The Board of LUMSDEN BUCKLEY AND HOUSTON, Lloyd's brokers, has been reorganised and the following appointments made: Mr. Anthony J. Lumsden-Cook, chairman and managing director, Mr. Michael N. Buckley, Mr. Anthony J. P. Houston and Mr. Peter W. Walker, directors, and Mr. Hugh A. J. Shuttleworth, director and secretary. Mr. John H. Perryer and Mr. Paul R. Bartlett, have been appointed associate directors. Mr. Michael N. Buckley has additionally been appointed to the Board of Walker and Lumsden (Pte.), Singapore.

★

Mr. John Small, deputy managing director of the UNITED GLASS GROUP has been appointed managing director in succession to Mr. Vic Hender who has retired.

Mr. David J. Margand is moving from U.G. Closures and Plastics to take up the appointment of sales and marketing director of UNITED GLASS CONTAINERS in succession to Mr. Peter K. Chamberlain.

★

Mr. R. K. Martin has been appointed managing director, and Mr. P. D. MacWilliam a director, of SCOTTISH MALT DISTILLERS, a subsidiary of The Distillers Company.

★

Mr. A. G. Cropper has been elected to the Board of LAKE AND ELLIOT as finance director.

★

Mr. Peter Clayton has been appointed a partner of KELLY WILSDON AND CO., Warwick.

★

Mr. Eric Hannam has been appointed a director of LEOPOLD JOSEPH AND SONS.

★

Mr. Christopher Foy has joined the Board of VAN DEN BERGHS AND JURGENS as personnel director. He succeeds Mr. Clive Welland, who has been appointed to personnel division of Unilever N.V. in Rotterdam as international management development officer for the company's edible fats and dairy co-ordination and engineering division.

★

Mr. R. L. Mortimer has become managing director of the contractors' plant division of STOTHERT AND PITT and is responsible for the company's range of compaction equipment, concrete and minerals handling plant. Mr. Ian P. Sumner joins the division as home sales director. He joins Stothert and Pitt from a senior post with Leyland Vehicles.

★

Mr. John Newton has become a deputy director in the northern division of WILLIAMS AND GLYN'S BANK. He was previously manager of Birchin Lane branch in the Bank's City division.

★

Mr. Peter Hamilton, a managing director of APV (Holdings) and executive chairman of Hall-Thermotank, has been appointed a director and chairman of VENT-AXIA. Mr. Ken Fraser, who retired as chairman, remains a non-executive director.

★

At LLOYDS REGISTER OF SHIPPING, Mr. D. J. Nicholas has been appointed principal surveyor for co-ordination of shipbuilding contracts in succession to Mr. F. H. Atkinson, who has been appointed senior principal surveyor in charge of offshore services group.

★

Mr. Victor D. Smith has been appointed director of finance of SKF (UK).

★

Mr. Vivian C. Slight, British Caledonian's manager, external affairs and legal associate, has been named as aviation adviser to the aviation study group of the transport and communications section of the EEC's Economic and Social Committee.

Mr. Jock Leighton has been elected group vice-president, international operations, of KAISER ENGINEERS, INC.

★

Mr. Phillip G. Taylor has been appointed managing director of BULTEN-KANTHAL STEPHEN NEWALL, the Helensburgh-based subsidiary of the Swedish Bulten-Kanthal group. Mr. Taylor takes up his new post following the resignation of Mr. Stephen P. Newall as managing director of BKSN and his appointment as chairman of the company.

★

Mr. R. J. Nelson has been appointed acting senior executive of MOUNTSTAR METAL CORPORATION in succession to Mr. A. A. Curran.

Standard Fireworks chairman

Mr. Robin Napier, who joined the Board of STANDARD FIREWORKS last September, has been appointed chairman. He has been an executive director of Charterhouse Japhet since 1967 and is chairman of its Northern subsidiary, based in Manchester.

The announcement of Mr. Napier's appointment came within 24 hours of Standard's decision to reject a request by Mr. Leonard Steinberg, chairman of Stanley Racing, to join the Board, following the acquisition of one quarter of the Standard shares.

Standard said it had been the intention of Mr. Richard Greenhalgh to retire following consultation with co-directors at this year's annual meeting and hand over the chairmanship to Mr. Napier. His premature death has meant that he was unable to see the conclusion of events in which he had been actively participating and which carried his personal approval and support together with that of his colleagues.

★

Mr. John A. Croft, a non-executive director of H. BRAMMER AND CO., has additionally been appointed chairman of Brammer Transmissions of Leeds, the power transmission belting subsidiary of the Group.

★

The NFU MUTUAL and AVON INSURANCE GROUP state that Mr. G. H. Ballard has joined the Boards of both companies, filling the vacancy arising from the retirement of Lord Woolley on February 29.

★

THE FEDERATION OF LONDON CLEARING BANK EMPLOYERS has appointed Mr. Lionel D. Cowan to the director and secretary, from May 1, with the retirement of the current director and secretary, Mr. Edward Richards.

★

Mr. F. Dean Swift, who has been director-general of the AGRICULTURAL ENGINEERS ASSOCIATION since 1968, retires on October 24. The new director-general designate is Major General S. K. Lecky who joined the Association on February 1. General Lecky held the post of Minister (DS) at the British Embassy in Tehran until 1979.

★

Mr. Donald Anderson has been appointed an assistant director of THE BRITISH MAN-MADE FIBRES FEDERATION from February 4. He will succeed Mr. Colin Shone, who leaves the Federation to join the British Textile Employers Association.

★

Dr. George Fink has been appointed a director of the MRC BRAIN METABOLISM UNIT in Edinburgh. Dr. Fink, who will take up the post in March, 1980, is at present university lecturer in human anatomy and official fellow and tutor in physiology at Brasenose College, Oxford.

★

Miss G. H. Durbin has been appointed financial director of PENNWALT.

★

Mr. Peter Buckleigh has been appointed as director of marketing and promotion for EMI RECORDS (UK).

★

Mr. Greville Barnard has become a director of the NATIONWIDE BUILDING SOCIETY. Mr. Barnard retired recently from chartered accountants, Mann Judd on the merger with Touche Ross and Co.

★

Mr. Steve Robinson has become managing director of PYE TVT, the Cambridge-based centre for Philips' broadcasting equipment.

★

Mr. E. W. E. (Bill) Andrewes is to join the Board of GRANADA TV RENTAL in April. He will succeed Mr. Bryan Quilter as managing director on October 1.

★

Mr. Frank Ellis has been appointed to the board of DEWPLAN (ET) of Bredbury, Stockport as commercial director.

★

Mr. David Healey has been appointed the financial director of E. R. SQUIBB AND SONS, the Twickenham-based pharmaceutical company.

★

Mr. Brian Carlin has been appointed chairman of the INDEPENDENT BROADCASTING AUTHORITY'S local advisory committee for independent local radio in the Belfast area. He succeeds Miss Moira Seale who has served as chairman of the committee since it was set up in 1976.

★

Mr. Christopher J. Hyatt has been appointed managing director of BAHCO TOOLS and BAHCO VENTILATION of Banbury, Oxon, the British companies of AB Bahco, the Swedish tool and air-conditioning group.

NEW YORK

Wall St. recoups early losses

FURTHER PROFIT-TAKING developed on Wall Street yesterday, but some early losses were recouped.

After opening another 4.43 off at 871.42, the Dow Jones Industrial Average partially recovered to 873.98 by 1 pm, for a net loss of 1.87 on the day and 2.13 on the week. The NYSE All Common Index, at $65.56, shed 5 cents on the day but was still up 29 cents on the week. Trading volume decreased 9.23m shares to 39.19m, compared with 1 pm Thursday.

The Labour Department said January unemployment rose to 6.2 per cent from 5.9 per cent in December but said a one-month increase does not indicate a sharp jobless rise is underway.

Analysts said that news of a Consent Agreement between Textron and the Securities and Exchange Commission that raised questions about former Textron chairman and current Treasury Secretary G. William Miller, was causing some caution.

Miller has scheduled a news conference for 13.30 EST.

Oils were mixed. Volume leader Mobil gained $1½ to $59⅞ and active Texaco $½ to $35—Texaco completed two "significant" natural gas discoveries in Texas. But Shell Oil slipped $½ to $63⅞, Sabine Royalty $⅞ to $65 and McMoran Oil $1 to $29¾.

Defence issues continued Thursday's losses. McDonnell Douglas dropped $1¼ to $47, Fairchild Industries $1¼ to $56⅞, General Dynamics $1½ to $79½ and Martin Marietta $1⅛ to $52½.

U.S. Steel picked up $⅛ to $19⅞—it will raise Tin Mill product prices an average of 6.4 per cent on April 1.

Citicorp shed $⅛ to $21⅞—its Citibank subsidiary held its prime rate unchanged at 15¼ per cent.

Federal National Mortgage eased $⅛ to $14¼. Interest rate-sensitive issues remain under pressure as Bond yields continue to rise.

Clark Oil advanced $2⅛ to $50⅛—a major shareholder has received inquiries about selling his Clark stake.

James River Corp. will acquire Brown Co. for $34.64 a share in cash and securities, buying 80 per cent from Gulf and Western and the publicly held 20 per cent in a tender offer.

Gulf and Western eased $⅛ to $18⅞ but Brown and James River had yet to trade.

Rosario Resources gained $1½ to $76⅛—the FTC ended a required waiting time before a tender offer for Rosario shares by Amax Inc, but Rosario and Amax have dropped merger plans.

THE AMERICAN SE Market Value Index gained a 0.09 to 275.51, making a rise of 8.72 on the week.

Oils were mixed. Volume leader Inter-City Gas rose $⅞ to $21½ but Imperial Oil "A" lost $⅞ to $41½.

Telesciences fell $3⅞ to $11½—it said it will report lower fourth quarter net earnings, and directors omitted the 1980 first quarter dividend.

Canada

Share prices were lower in active noon trading yesterday, when the Toronto Composite Index shed 3.4 to 2,024.3.

The Metals and Minerals Index lost 18.2 to 2,163.6, Oils and Gas 4.8 to 4,212.7, Banks 2.68 to 328.26, Papers 1.98 to 202.89 and Utilities 0.80 to 260.45. But Golds rose 13.7 to 3,072.2.

Germany

Banks and Machines strengthened with notable gains scored by Linde, up DM 8.50, and Bayerische Vereinsbank, up DM 8.00. Elsewhere among Banks, Bayerische Hypothekenbank added DM 4.00 and Deutsche Bank DM 3.50. Hopes for loosening credit policies were giving Banks a firm undertone in the short-term.

Electricals and Motors also picked-up strength. Brown Boveri jumped DM 9.

Chemicals, Utilities, Steels and Stores were mixed, but trended upward. Aside from a sharp gain of DM 8 for Ruetgerswerke, most changes were less than DM 1.50.

Domestic Bonds were steady to slightly higher, Deutsche Bundesbank intervened to pump stock valued at DM 12.3m into the market.

Generally up in active trading, reflecting higher International commodity prices. Volume 770m (650m) shares.

Trading Firms rose sharply, with C. Itoh rising Y45 to 520 on reports a subsidiary discovered oil deposits off Jakarta, while Marubeni rose Y23 to 403 and Sumitomo Shoji Y42 to 622.

Non Ferrous Metals and some Defence-related issues were mixed.

Sugars firmed following higher International sugar prices. Taito moved up Y37 to 525, and Nippon Beet Sugar Y17 to 179.

Steels, Textiles, and some Electricals improved, but Oils and Machines were lower on profit-taking.

Australia

White Industries dominated trading, closing at SA29.50, compared with SA13 Thursday, amid frantic speculative buying on rumours of rival bids for control of the group. But it was reported there were some afternoon sales at SA15. Volume was heavy for a company with only around 9m shares on issue. At the close no one was clear if there had been a winner in the contest. The main battle lines appeared to be drawn between Alan Bond on the one hand, and the White Board and its friends which include the Japanese Mitsubishi Group on the other.

The battle for White got markets started on another revaluation of all the Coal Mines, and Industrials with Coal Mining interests. Oakbridge rose SA1.08 to SA5. Utah 30 cents to SA4.90.

Banks had another good day and Building Materials were stronger but the rest had mixed fortunes.

Among Minings an easing in Base Metal prices in London in the wake of rumours the Russians had a timetable for pulling out of Afghanistan brought some price adjustment and the resolution of takeover bids brought further changes.

Golds eased in the morning session but picked up when Gold Future prices firmed on the second call in Sydney.

Oils were generally firm.

Paris

French shares were narrowly mixed in thin pre-weekend trading.

Banks, Portfolios, Constructions, Quarries, Mechanicals and Electricals were in demand. Stores, Metals and Oils were generally easier.

Canadians, Oils and Dutch issues were easier, but Golds were firm in an otherwise lacklustre International section.

Johannesburg

Gold shares firmer in line with the higher International Gold price, and reports that Iran has increased its oil price.

Platinums firmed, and Industrials were generally higher.

Hong Kong

Prices continued to ease across the board on local small selling in the absence of market rumours and on general investor uncertainty.

Properties were generally easier.

Switzerland

Profit-taking cut the top off a recent uptrend, with squaring of positions ahead of the weekend accounting for most of the quiet trading.

Financials and Industrials turned in a mixed performance.

Banks were firm as were Insurances.

Foreign issues turned mixed in continuing very active trading.

Brussels

Stocks gained in moderate trading. But Petrofina, the most widely traded share, fell Fls 40 to 5770 despite its sharply higher 1979 profits.

Non-ferrous Metals slipped and Utility issues were little changed. Steels, chemicals and Holding Company stocks gained ground.

South African Gold issues inched up. Zaire and German securities hardly budged, while Dutch and French shares fell. U.S. stocks also sagged.

Closing prices for North America were not available for this edition.

CANADA

Stock	Jan. 31	Jan. 30
Abitibi	25⅛	23⅜
Agnico Eagle	14	14
Alcan Alumn.	72	70½
Algoma Steel	36¼	35½
Asbestos	37	37
Bk Montreal	25½	25⅜
Bk Nova Scotia	25⅞	25⅝

BELGIUM (continued)

Feb 1	Price Frs.	+ or −
Petrofina	5,770	−40
Royale Belge	5,600	......
Soc Gen Banq	2,755	−40
Soc Gen Belge	1,645	+15
Sofina	5,500	+150
Solvay	2,560	+60
Traction Elect.	2,575	+25
UCB	1,380	......
Union Miniere	810	−10
Vieille Mont.	1,585	+15

HOLLAND

Feb. 1	Price Fls.	+ or −
ACF Holding	77.5	−1.5
Ahold	91.0	......
AKZO	24.0	......
ABN	299	......
AMEV	102.5	−0.2
AMRO	61.7	−0.4
Bredero Cert.	223.2	−0.3
Bos Kalis	103	−1.3

AUSTRALIA

Feb. 1	Price Aust. $	+ or −
ANZ Group	4.70	+0.05
Acrow Aust	1.00	......
Allstate Expl.	1.45	......
Ampol Pet.	1.44	+0.08
Ast. Pulp Pap.	8.50	......
Audimco	0.28	+0.02
Aust Cons Ind.	2.12	+0.06
Aust Guarant.	1.42	+0.01
Aust Nat Inds.	2.28	......
Aust Paper	1.84	+0.02

JAPAN (continued)

Feb. 1	Price Yen	+ or −
Makita	1,120	−20
Marubeni	403	+23
Marudai	630	−20
Marui	758	+1
Matsushita	922	+7
M'ta Elec Works	564	+2
M'bishi Bank	413	−2
M'bishi Corp	720	−1
M'bishi Elec.	205	+1
M'bishi RI Est.	438	−4

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NORWAY

SWEDEN

SWITZERLAND

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Financial Rand US$1.04 (Discount of 15%)

BRAZIL

Spanish prices, Page 16

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Industrial action hits French steelmaker

By Terry Dodsworth in Paris

BENEFICIAL effects expected from the abandonment of French steel price controls last year were severely reduced at Sacilor-Sollac, the second largest French steel producer, by the long strike at Fos, the modern bulk steelmaking plant near Marseilles.

Mainly because of this dispute, the group's steel output dropped from 5.42m tonnes in 1978 to 5.27m. This meant that sales could do no more than keep pace with domestic inflation, rising by 11.9 per cent to FFr9.9bn ($2.4bn).

Despite this disappointing production result, however, productivity improvements helped Sacilor to reduce its losses last year. Although the company has refused to give details, the deficit is believed to have fallen to about FFr 650m compared with the FFr 1bn registered in 1978.

The productivity increase has come mainly from the reorganisation plan launched with government backing a year ago. This will reduce the workforce in Sacilor by about 9,000 jobs.

Sacilor has also boosted its productivity by pushing ahead with a re-equipment programme aimed at making production in its Lorraine factories more efficient. Many of the factories were outdated compared with plant elsewhere in the world.

In Sacilor's iron ore division, production rose last year despite 350 further job cuts, which reduced the workforce to 2,400 men. Output went up to 14.2m tonnes from 13.9m in 1978.

● Paribas, the French banking group, has acquired the 10.7 per cent interest formerly held by Societe Pechelbronn in the oil exploration company, Copsrex. It seeks to buy all outstanding shares.

Montedison retailing unit to link with Carrefour

BY RUPERT CORNWELL IN ROME

STANDA, THE biggest Italian chain store group and a subsidiary of the Montedison chemicals concern, is to pool its Italian hypermarket division with that of Carrefour, the leading French supermarket group.

Under the terms of the deal, reached after several months of negotiation and feasibility studies, the two will link through a new company, Euromercato. By the end of 1980, Euromercato will have 1,200 employees, and annual sales of L150bn ($186m).

The joint venture will take in two Standa hypermarkets at Milan and Naples, the existing Carrefour hypermarket at Calgarte, Milan, and a new one in the process of completion at Assargo. Although the workforce will be Italian, Euromercato will use the management techniques of the French company.

The creation of Euromercato is an important step in the development of the hypermarket concept in Italy, hitherto the preserve of the small shopkeeper.

Standa has steadily improved its financial performance since 1975. In 1978 it broke even on sales of L984bn ($1.22bn), and has just carried out a capital increase from L18bn to L46bn.

● Sig. Rinaldo Ossola, the former Italian Foreign Trade Minister and deputy governor of the Bank of Italy, has been appointed chairman of the Banco di Napoli.

Greatermans returns to profit

BY JIM JONES IN JOHANNESBURG

FOLLOWING significant write-offs which resulted in a R3.45m trading loss for the 52 weeks to June 30, 1979, Greatermans Stores has reported a R6.16m ($7.7m) trading profit for the 26 weeks to December 29, 1979.

Greatermans controls South Africa's largest supermarket chain, Checkers, which is the group's main cash generator. Checkers traded well during the half-year, with profits on target despite costs of opening five new stores.

The group's downmarket household and clothing chain, Ackermans, is gradually acquiring a better market image, although this has yet to have a significant impact on group trading results. However, the previously troubled department store chain Greatermans has almost completed its major reorganisation. Four stores have been closed, while some of the remaining seven are being refurbished. Helped by an upgraded range of merchandise, the department stores reported satisfactory trading during the Christmas period.

Mr. Isaac Kaye, chairman of Greatermans Stores, is confident that with reorganisation all divisions will continue to trade at satisfactory levels, and that the earnings trend should be maintained during the second half of the current year.

Despite an estimated net loss of R1.97m on the closing of the four department stores, Greatermans Stores reported first-half earnings of 76.8 cents a share, from which a 25 cents interim dividend has been declared. Last year a 5 cents interim dividend was paid, while the final was passed when earnings per share emerged at zero.

In Johannesburg, Greatermans' "A" shares are currently trading at 785 cents, reflecting market confidence in further earnings improvements.

● Triomf Fertiliser Investments has reported a 30 per cent increase in turnover to R334m ($417.5m) for 1979. This gave rise to a trading profit of R25.1m ($31.4m) against 1978's R3.5m.

After deducting R12.45m attributable to minorities, Triomf earned a net attributable profit of R12.64m against R1.45m last time, equal to 90.3 cents per share against 10.3 cents. A 30 cents final dividend has been declared—the first payment since 1976—and an interim is promised before June.

Howard Smith in A$28m deal

By James Forth in Sydney

HOWARD SMITH, the diversified shipping, coal, sugar and engineering group, has bought control of Australia's largest stevedoring group, James Patrick, for A$28.75m in cash and shares.

Patrick is a private company which made a net profit of A$5.8m in 1978-79. Smith has bought Patrick Investments, which owns 61 per cent of Patrick, with Smith already owning 12 per cent of the stevedoring company, this takes its interest to over 70 per cent.

BASF sells Roehm stake

BY JONATHAN CARR IN BONN

BASF, one of West Germany's leading chemical concerns, has disposed of its 40 per cent holding in Roehm Gmbh, a Darmstadt-based chemical company in which the Roehm family has the majority stake. The holding in Roehm, which is capitalised at DM 90m ($52.9m) has gone to Chemische Werke Huels, the chemicals arm of the Veba energy concern, for an undisclosed sum.

BASF bought into Roehm in 1970, intending eventually to acquire a majority holding. It recently decided that there was no further chance of this in view of tougher merger regulations which have since become law.

The company feared that its attempt to gain a majority stake in Roehm would be vetoed by the Federal Cartel Office on the grounds that it would give BASF an excessive share of the plastics market. Plastics accounted for DM 3.42bn of BASF's 1978 world turnover of DM 21.5bn.

Roehm, whose sales rose from DM 857m to DM 1bn in 1979, is heavily involved in the production of plastics, especially Plexiglass, at a U.S. subsidiary.

Norwegian oil groups clash over strategy

By Fay Gjester in Oslo

STATOIL and Norsk Hydro, Norway's two leading oil companies, seem to be heading for a clash over plans to expand a west Norwegian refinery which they jointly own.

Statoil, a 100 per cent state-owned company, plans a NKr 5bn ($1.02bn) scheme which by 1985 would more than double capacity at the 4m tonnes a year Mongstad refinery, as well as adding a new terminal, tank farm and facilities for the production of styrene, a petro-chemical raw material.

These proposals were announced on Wednesday. Last month Mr. Odd Narud, Hydro's president, said that Statoil would be better employed concentrating on the production, refining and marketing of petroleum, leaving further processing of Norway's oil and gas—the petrochemical side—to companies experienced in the chemical process indu[illegible].

Statoil's plans [illegible] building on land which [illegible] Hydro owns adjacent [illegible] Mongstad, but Hydro was [illegible] told about the whole sch[illegible] until this week. Only [illegible] initial stage, which fores[illegible] extending existing plant to raise capacity by 1m tonnes a year, had previously been discussed between the two concerns.

So far, Norsk Hydro has been fairly reserved in its comments about the Statoil scheme. The company pointed out that Hydro's site at Mongstad was well-suited for a large petrochemical plant, and that "the alternative scheme which Statoil has now suggested must be compared with other possible plans.

Bank deal begins

Hongkong and Shanghai Banking Corporation Holdings BV, a Hongkong and Shanghai Banking Corporation subsidiary, has begun its tender offer for up to 3.1m common shares of Marine Midland Banks at $25 each, reports Reuter from New York. The offer, the first step in transactions which will result in Hongkong and Shanghai Banking acquiring a 51 per cent interest in Marine Midland, will remain open until March 3.

Fourth quarter advance boosts Schering-Plough

BY OUR FINANCIAL STAFF

CONTINUED PROGRESS in the final quarter has brought a 15 per cent gain in 1979 earnings to $222.3m for Schering-Plough, whose interests take in drugs, cosmetics and toiletries. Share earnings for the year totalled $4.12 against $3.62. At $1.5bn, sales gained 36 per cent.

In the final quarter, earnings moved up by 16 per cent to $42.8m, or from 70 cents to 79 cents a share, on sales 35 per cent higher at $381.7m.

The company said it expects 1980 earnings and sales to be higher than last year.

Fourth quarter earnings in 1979 included a $6m pre-tax provision for potential losses from its pharmaceutical business in Iran. This is in addition to the $2.5m provided in 1978.

Some 44 per cent of sales and 32 per cent of earnings came from overseas operations in 1978. The bulk of profits (81 per cent) came from ethical pharmaceuticals, with consumer products turning in about 15 per cent.

Meanwhile, Schering-Plough said it will be working with government, medical and scientific agencies to establish workable priorities to ensure that special needs for the drug Interferon will be met as promptly and efficiently as possible. It has the personnel, facilities and fermentation technology to scale up production to provide supplies for medical investigation.

Peak results from Norton Simon

BY OUR FINANCIAL STAFF

NORTON SIMON the car-hire and consumer products group, announced that revenues and earnings for the second quarter and six months advanced to new highs.

Sales for the second quarter increased by 10 per cent, from $696.5m to $765.6m and for the six months were up 11 per cent to $495.8m, compared with $1.3bn in the previous year. Net income for the December quarter totalled $36.6m compared with $34.2m and for the six months was $69.1m against $63.6m.

Max Factor maintained the new operating momentum established in the first quarter and once again attained improved revenues and operating performances. During the six month period the Avis, McCall Patterns and Canada Dry divisions showed increased international earnings.

Mr. D. Mahoney the chairman and chief executive, said operating results, particularly in the second quarter, were adversely affected by higher interest expenses and a softening in the used car market for Avis, unfavourable exchange rates in relation to some currencies, lower profit margins in several food and soft drink lines, and higher raw material costs in packaging. He expects some of these factors to continue in the second half of the current fiscal year.

Foreign banks in Quebec loan

THE PROVINCE of Quebec is raising C$400m from a group of six foreign banks. The five-year revolving credit facility is based on an undisclosed margin over Canadian prime rate, Rosemary Burr writes in New York. This is believed to be the first time that non-Canadian banks have arranged a loan of this type for a Canadian borrower.

The facility is led by J. P. Morgan of Canada Ltd. (agent), with Credit Lyonnais Canada, Barclays Canada Ltd., Chase Manhattan Canada Ltd., Chemical New York Canada Ltd. and Services Financiers BA. Invitations to participate in the syndication have been sent to the Canadian subsidiaries of foreign banks this week.

The funds are earmarked for the Province's capital investment programme. The decision to tap the floating rate market for short-term funds to finance development partially reflects the current high cost of fixed rate money as well as the borrower's desire to diversify its source of funding.

AMERICAN QUARTERLIES

AVERY INTERNATIONAL

	1979 $	1978 $
Fourth quarter		
Revenue	151.1m	130.3m
Net profits	7.24m	6.65m
Net per share	0.80	0.73
Year		
Revenue	562.1m	484.4m
Net profits	21.14m	16.01m
Net per share	2.36	1.94

EMERY AIR FREIGHT

	1979 $	1978 $
Fourth quarter		
Revenue	134.8m	113.8m
Net profits	387m	5.02m
Net per share	0.25	0.33
Year		
Revenue	520.1m	415.0m
Net profits	22.59m	20.71m
Net per share	1.46	1.34

GINO'S

	1979 $	1978 $
Fourth quarter		
Revenue	79.8m	76.7m
Net profits	†8.18m	1.32m
Net per share	†1.54	0.27
Year		
Revenue	330.4m	311.3m
Net profits	†710,000	5.88m
Net per share	†0.16	1.23

† Loss

METROMEDIA

	1979 $	1978 $
Fourth quarter		
Revenue	137.9m	127.0m
Net profits	16.05m	12.78m
Net per share	3.48	2.77
Year		
Revenue	418.7m	370.7m
Net profits	41.77m	36.27m
Net per share	9.06	7.02

COMMODITIES/REVIEW OF THE WEEK

Sugar prices hit 5-year highs

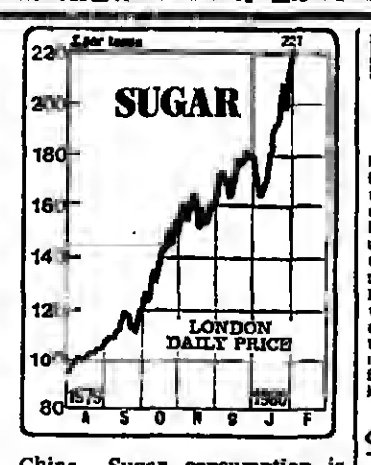
BY OUR COMMODITIES STAFF

WORLD SUGAR prices climbed to their highest levels since 1975 yesterday as the recent speculative upsurge continued. The London daily raw sugar price was fixed at £221 a tonne, up £7 on the day and £12 on the week. On the London futures market the May position gained £11.70 yesterday to end the week £19.45 up at £235.775 a tonne.

Sugar suffered a sharp setback on Monday when Coca-Cola announced that it planned to use corn-syrup for some of its production. This helped push the market £12.60 lower on the day but the impact was largely psychological and had been shaken off by mid-week.

Apart from the speculative interest encouraged by the recent outbreak of gold and silver "fever" sugar prices have benefited from forecasts of much tighter supplies this year. Many traders, however, believe this consideration has been more than adequately discounted at current levels.

In Rome yesterday the UN Food and Agriculture Authority forecast that world sugar production would drop to 87.7m tonnes in the 1970-80 season from 90.4m in 1978-79. It said this was mainly due to bad weather in the USSR, Cuba, India, Thailand and possibly in China. Sugar consumption is forecast at 92.5m tonnes in 1980.



Coffee prices also moved up significantly with the March position on the London futures market closing last night at £1,546.5 a tonne, up £59 on the week. The rise was attributed to speculative interest and possibly "window-dressing" buying on behalf of producers ahead of the forthcoming U.S. National Coffee Association meeting in Boca Raton, Florida.

The International Coffee Organisation announced this week that it planned to call a special meeting soon following the decline of the average indicator price early this week below the 168.27c a lb level at which a review of the market situation is automatically triggered.

The cocoa market was relatively quiet, the May futures position ending £17.5 up at £1,471.5 a tonne. Dealers said the narrow trading range ruling at the moment was due to the availability of producer supplies at the upper end of the range and the tendency for manufacturer interest to evaporate at the lower end.

London's base metal markets were mixed this week with copper and zinc recording substantial gains while lead and zinc prices declined.

The copper cash wirebars price reached an all-time peak of £1,360 at one stage before ending the week £38.5 higher on balance at £1,294.5 a tonne. Continued speculative buying was quoted as the main reason for the rise.

The price rose above £1,300 again yesterday morning before falling back.

Speculative buying lifted prices again near the close.

Freer supplies of tin pushed the cash metal price £155 lower at £7,295 a tonne this week. Dealers said new arrivals are expected from the East soon and also noted that the effects of the UK steel strike on the tin plate industry was thought to have cut demand.

A £5.50 fall in the cash lead price to £495 a tonne was partly due to heavy selling by a U.S. merchant, dealers said, while the £10 rise in cash zinc to £370 reflected the rise in copper.

Aluminium futures gained £8.5 yesterday to end the week £14.5 up at £900.5 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£770/810	—	£710	£790	£710
Free Markets c.i.f.	$2040/2058	−145	$1,290/300	$2,046	$1,210
Antimony					
Free Market 99.6%	$3230/3260	−7.5	$2,725/775	$3,275	$2,712.5
Copper Cash Wire Bars	£1,294.5	+38.5	£945	£1,321	£789
3 months Do. Do	£1,290.5	+28	£957	£1,515.5	£783.75
Cash Cathodes	£1,249.5	+38.5	£929	£1,275	£744.5
3 months Do	£1,267.5	+33	£942.5	£1,287.5	£767.25
Gold per oz	$677.5	−7.5	$251.37	$835	$216.625
Lead cash	£495	−5.5	£565	£701.5	£434.5
3 months	£489.5	−6	£510.75	£642.5	£420.75
Nickel	£3,195.78	—		£3,360.17	£2,320.83
Free Market c.i.f. lb.	305/350c	—	168/25c	340c	166c
Platinum per oz.	£189	—	£164.5	£195	£152
Free Market per oz.	£367.85	−6.45	£195.2	£407	£166.6
Quicksilver (76lbs.)	$385/400	−12.5	$200/210	$410	$160
Silver per oz.	1,555p	−125.35	334.1p	2,165.05p	269.4p
3 months per oz	1,570p	−93.2	343.45p	2,185.05p	303.7p
Tin cash	£7,295	−155	£7,155	£7,257.5	£6,320
3 months	£7,340	−30	£7,115	£7,620	£6,355
Tungsten Ind	$138	—	$144.29	$145.56	$127.94
Wolfram 22.04 lb.	$139/144	..	$120/126	$144/149	$120.5
Zinc cash	£370	+10	£378.5	£408.5	£275.5
3 months	£384.5	−10.25	£391	£423.5	£286.25
Producers	$780/825	—	$760	$845	$720
GRAINS					
Barley					
Home Futures	£101.55	+0.2	£89.85	£101.35	£85.2
Maize					
French No. 3 Yellow (Amer).	£117.25z	−0.25	£109.75	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	‡	£99.0	£92.0
Am. Hard Winter	£99z	−4	£88	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£96	£107.5	£43.5
SPICES					
Cloves (g)	£4,175y	+305	£5,975	£4,175	£3,850
Pepper, white	$2,600	+25	$2,800	$2,850	$2,600
" black	$1,950	−50	$1,825	$2,000	$1,660
OILS					
Coconut (Philippines)	$905y	—	$1,010	$1,175	$870
Groundnut 5%		..	‡	‡	‡
Linseed, Crude	$431	—	£370	£441	£368
Palm Malayan	$690u	—	$655	$725	£582.50
SEEDS					
Copra (Philippines)	$596z	—	$690	$745	$565.5
Soyabeans (U.S.)	$300x	−15.75	$290	$350.45r	$235.2
OTHER COMMODITIES					
Cocoa Shipment	£1,526	−8	£1,753	£2,041	£1,445
F'ts 2nd pos.	£1,471.5	+17.5	£1,725	£1,990.5	£1,350.5
Coffee Futures May	£1,546.5	+42.5	£1,531	£2,089	£1,295.5
Cotton Index	95.10c	+5.65	75.15c	85.10c	72.5c
Des. Coconut	£730	−10	£740	£700	£700
Jute LJ ABW C grade	£223y		$518	£253	£224
Rubber kilo	78.50p	+0.5	59.5p	81.50p	55p
Sago Pearl	£211y	—	£183	£219	£178
Sisal No. 3 L	$885y	..	$515/20	$685	$515
Sugar (Raw)	£221	+12	£97	£221	£92.5
Tapioca No. 1	£206y	—	£167	£211	£157
Tea (quality) kilo	137p	−3	135p	165p	133p
" (plain) kilo	62p	—	82p	88p	57p
Wooltops 64s Warp	285p kilo	+2	285p kilo	295p kilo	285p kilo

‡ Unquoted. (g) Madagascar. (r) May. (z) Feb. (w) March-April. (y) Feb./March. (u) March.

MARKET REPORTS

BASE METALS

COPPER—Firmer on the London Metal Exchange. After opening at £1,285 forward metal pushed ahead to touch £1,313 in the morning rings reflecting good fresh buying and stop-loss buying. However, the market came under pressure on the kerb as profit-taking pared the price to £1,302. News that the Chilean miners are to return to work brought out further selling which depressed forward metal to around £1,275 by the afternoon. This trend was reversed as a strong opening on Comex saw the price lift to £1,300 before easing to close the late kerb at £1,290. Turnover, 27,875 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1314-5	+15	1294-5	+7.5
3 months	1307-8	+17	1290-1	+8
Settlem't	1315	+15	—	......
Cathodes				
Cash	1253-5	+13	1249-50	+18.5
3 months	1273-4	+11	1266-9	+13.5
Settlem't	1255	+13	—	......
U.S. Prod	—	......	*121-33	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,315, three months £1,312, 13, 12, 11, 10, 08, 10, 12, 11, 10, 09, 10, 08, 09, 08, 07. Cathodes, three months £1,272, 73. Kerb: Wirebars, three months £1,307, 06, 05, 04, 03, 02. Afternoon: Wirebars, three months £1,280, 81, 82, 83, 85, 83, 84, 83, 82, 81, 82, 83, 84, 1,300, 1,299, 98, 97, 96, 95, 94, 92, 93, 90, 91, 92, 91, 90. Cathodes, cash 1,250. Kerb: Wirebars, three months £1,294, 95, 94, 93, 91, 90, 89, 90, 92, 91, 90, 91, 89, 90, 90.5, 91.

TIN—Easier with the contango widening further to around £50 reflecting anticipated arrivals from the east. Forward metal opened at £7,400 but slipped to £7,350 following hedge selling. In the afternoon, however, the market picked up on hedge buying against physical sales with forward metal finally quoted at £7,360 on the late kerb. Turnover, 1,330 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7370-80	−40	7290-300	−78
3 months	7330-65	−15	7340-50	−40
Settlem't	7330	−35	—	......
Standard				
Cash	7310-20	−35	7290-300	−78
3 months	7360-5	−15	7340-50	−40
Settlem't	7330	−30	—	......
Straits. E.	$32121	......	—	......
New York	—	......	—	......

Morning: Standard, three months £7,360, 55, 50. Kerb: Standard, three months £7,350, 40. Afternoon: Standard, cash £7,300, 10, 7,290, three months £7,340, 50, 40. Kerb: Standard, three months £7,350, 60.

LEAD—Lower in quiet trading. Lack of interest saw forward metal fall away from £496.5 in the rings to £491 on the morning kerb. In the afternoon the downturn in copper brought out renewed offerings of lead and three months material dipped to £485.5 prior to rallying to close the late kerb at £491. Turnover, 5,250 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	496.5-7.0	−15.5	494-5	−5.5
3 months	493-.5	−15	489-90	−11
S'ment	497.5	−15.5	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £497, three months £496, 94, 92, 93, 93.5. Kerb: Three months £493, 91, 90, 89. Afternoon: Three months £488, 88, 87, 88, 89, 90. Kerb: Three months £489, 90.

ZINC—Marginally firmer. Forward metal moved ahead to £381 on the pre-market but fell back to £377.5 on the morning kerb reflecting the absence of any fresh buying interest. In the afternoon the price picked up to touch £384.5 but gave ground to close the late kerb at £382. Turnover, 8,025 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	365-6	−5	369-71	+5
3 months	378-.5	−6	384-5	+4
S'ment	366	−6	—	......
Prime w'ts	—	......	*67.5	......

Morning: Cash [illegible], three months £379, 80, 79.5, 78, 77.5, 77, 79, 80, 79, 78. Kerb: Three months £380, 79, 78, 77. Afternoon: Three months £375, 74, 75, 78, 80, 81, 82, 83, 84, 86. Kerb: Three months £385, 86, 85, 84, 82, 83, 82.

ALUMINIUM—Higher. Forecasts of a decline in warehouse stocks prompted a good demand in the morning when forward material moved ahead to £913. However, this level attracted profit-taking which pared the price to £911 on the late kerb. Turnover, 6,275 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	900-1	+5.5	899-902	+8.6
3 months	910-1	+2.5	919-5	+2

Morning: Cash £901, three months £912, 10, 11, 12, 11. Kerb: Three months £910. Afternoon: Three months £909, 10, 11. Kerb: Three months £912, 10, 11.

NICKEL—Firmer in quiet and routine trading with forward metal finally quoted at £3,175 on the late kerb. Turnover, 552 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3050-60	+29	3060-70	+15
3 months	3170-80	+10	3180-90	+17.5

Morning: Three months £3,180. Kerb: Three months £3,170. Close: £3,170, 3,180. Afternoon: Three months £3,173, 70, 71, 75, 72, 73, 80, 85, 83, 80. Kerb: Three months £3,180.

* Cents per pound. $ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 0.8p an ounce higher for spot delivery in the London bullion market yesterday at £15.55. U.S. cent equivalents of the fixing levels were: spot $35.214, down 3.4c; three-month $35.377, down 12.8c; six-month $35.284, down 11.2c; and 12-month $35.167, down 36.0c. The metal opened at £15.8-£16.3 ($36-$37) and closed at £15.95-£16.35 ($34½-$36).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	1565p	+0.8	1560p	+30
3 months	1570p	−5.5	1565p	+22
6 months	1571p	−4.5	—	......
12 months	1577p	−15.5	—	......

LME—Turnover 153 (226) lots of 10,000 ozs. Morning: Cash 1590, 88, three months 1620, 10, 15, 10, 1590, 1600. Kerb: Three months 1600, close unquoted. Afternoon: Three months 1570, 60. Kerb: Three months 1560, 70, close 1560, 70.

COCOA

Initially unchanged, futures eased during the late morning but on renewed interest and arbitrage buying in the afternoon closed at the highs of the day. Physicals were largely ignored by both producers and consumers, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1474-75	+6.0	1477-59
May	1470-73	+4.5	1474-59
July	1477-78	+5.0	1481-64
Sep	1490-91	—	1495-81
Dec	1516-24	+9.5	1518-11
March	1540-54	+4.5	1543-40
May	1565-74	+2.5	1575-65

Sales: 1,440 (2,885) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 31 146.35 (147.59): Indicator price Feb. 1: 15-day average 144.40 (144.21): 22-day average 143.66 (143.46).

GRAINS

Old crops opened 10p lower, but increased after initial losses on good buying interest to close steady 5p-15p up on wheat and 25p-30p up on barley. New crops values eased slightly and closed 10p-20p down on barley. Jan. wheat saw very little trade and closed unchanged to 5p lower.

IMPORTED WHEAT—U.S. Dark Nrthn. Spring No 2 14 per cent Feb. 102, March 102.50 transhipment east coast. U.S. Hard Winter 13½ per cent Feb. 99, March 100 transhipment east coast.

Maize: U.S./French Feb. 117.25, March 118.25 transhipment east coast.

Barley: English Feed fob March 101.50 traded east coast, Feb. 100.50, March 102, April 104.50 east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Midlands 94.80, N. East 94.00, Scotland 90.80. Other milling wheat: Eastern 100.20, E. Midlands 98.00.

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Mar.	100.15	+0.05	97.50	+0.25
May.	104.40	+0.20	101.55	+0.50
Sept.	96.45	−0.05	95.35	−0.15
Nov.	100.15	−0.10	95.95	−0.55
Jan.	103.85	—	100.70	—

Business done—Wheat: March 100.10-99.75, May 104.40-104.00, Sept. 96.45-96.40, Nov. 100.30-100.15, Jan. 104.00-103.80. Sales 144 lots of 100 tonnes. Barley: March 97.65-97.00, May 101.65-101.05, Sept. 93.60-93.35, Nov. 97.15-95.85, Jan. 100.65-100.65. Sales 281 lots of 100 tonnes.

COFFEE

Robustas opened £10-£12 higher to follow a firm New York close, and maintained a steady tone in a narrow trading range after commission house buying had prompted early gains in good volume, reports Drexel Burnham Lambert. In the afternoon the market registered recent new highs, but gradually weakened under trade selling pressure until a late rally inspired a steady finish.

COFFEE	Yesterdays Close £ per tonne	+ or —	Business Done
January	1537-38	+14.0	1541-29
March	1546-47	+10.0	1557-42
May	1569-70	+14.0	1575-51
July	1575-76	+9.5	1580-68
Sept.	1572-80	+14.0	1580-74
Nov.	1567-75	+14.0	1580-74
January	1555-60	—	—

Sales: 5,929 (7,558) lots of 5 tonnes.

ICS indicator prices for Jan. 31 (cents per pound). Other Mild Arabicas 161.00 (169.00). Robustas ICA 1979 158.00 (156.50). ICA 1968 158.27 (158.75). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 180.58 (179.67).

RUBBER

The London physical market opened steadier with little interest throughout the day closing on a quiet note, Lewis and Peat reported. The Malaysian market was closed due to a public holiday.

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
			78.40-78.60
Mar.	80.15-80.70	78.55-88.50	—
Apr.	81.65-82.60	80.50-81.50	81.80-82.00
Apr.-Jne	83.20-83.40	82.10-82.55	84.20-82.50
Jly.-Sept	85.15-85.20	83.20-85.40	85.90-85.00
Oct.-Dec	88.80-88.70	87.30-87.35	88.90-87.50
Jan-Mar	88.15-82.20	89.70-89.90	88.20
Apr.-Jne	90.40-90.50	89.75-89.85	91.10-90.10
Jly.-Sept	91.60-91.75	91.90-91.95	—
Oct.-Dec	93.60-93.15	92.85-92.05	—

Sales: 806 (527) at 15 tonnes 14 (same) at 5 tonnes.

Physical closing prices (buyer) were: Spot 79.50p (79.00p); March 79.00p (78.25p); April 80.50p (80.00p).

SOYABEAN MEAL

	Yest'rd'y Close £ per tonne	+ or —	Business Done
February	118.60-21.0	−0.45	—
April	117.10-17.2	+0.45	117.50-116.80
June	118.50-18.5	+0.60	118.50-118.10
August	117.80-19.5	+1.10	117.80
October	118.50-17.5	+0.60	—
December	118.50-18.5	+0.65	—
February	120.50-22.5	+0.65	—

Sales: 40 (110) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £221.00 (£214.00) a tonne cif for Feb.-March shipment. White sugar daily price was £223.00 (£216.00).

Fluctuations were continued within narrow limits until after the New York opening when heavy arbitrage buying produced rapid gains and by the close all positions had traded at new life of contract highs, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	231.50-31.55	226.80-26.75	232.50-29.00
May	235.75-35.80	224.05-24.10	236.50-24.50
Aug.	238.40-38.50	226.20-26.25	237.00-28.50
Oct.	237.00-37.25	227.10-27.50	238.00-29.00

Sales: 10,866 (3,103) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £300.50 (£293.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 31. Daily price 20.41 (20.06); 15-day average 18.24 (17.86).

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 234.00, 236.00; Aug. 236.00, 238.20; Oct. 236.00, 236.50; Jan. 233.00, 235.00; March 239.00, 239.25; May 238.25, 240.00. Sales 887 (3,524).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). April 225.00, 230.00, 226.00, 5; July 225.00, 235.00, nil, nil; Sept. 230.00, 240.00, 232.00, 10; Nov. 230.00, 245.00, 233.00, 5; Feb. 230.00, 250.00, nil, nil; April 230.00, 250.00, nil, nil; July 230.00, 250.00, nil, nil. Sales 21.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 483.0, 486.0, 485.0-483.0, 23; May 508.5, 507.0, 510.0-505.0, 297; July 529.0, 530.0, 530.0-526.0, 563; Oct. 526.0, 527.0, 528.0-524.0, 126; Dec. 529.0, 529.5, 530.0-522.0, 150; March 529.5, 530.0, 530.5-526.0, 70; May 530.0, 531.0, 531.0-526.0, 35; July 533.0, 535.0, 531.0-527.0, 24. Sales 1,294.

AMERICAN MARKETS

NEW YORK, February 1

Late short covering rally carried live cattle to minor gains, while the pork complex sold off sharply. Wheat and maize advanced moderately on general buying. Soyabeans were lower on local and commission house selling. Copper was moderately higher on good trade buying. Coffee and cocoa prices advanced slightly on news of potential production losses in Ghana. Bull spreading continues in cotton with the old crop gaining steadily. Late rally in sugar carried the market to new highs on commission house buying. Silver was mostly limit down on profit-taking, while gold finished mixed after some very erratic trading, reported Heinold.

Copper—Feb. 129.70 (126.75), March 130.70-131.70 (130.50), April 132.00, May 132.10-132.80, July 133.00-133.50, Sept. 133.20, Dec. 133.80-135.50, Jan. 135.00, March 135.50, May 136.00, July 136.50, Sept. 137.00, Dec. 137.70.

Potatoes (round whites)—March 60.0 (58.4), April 63.0 (60.7), May 73.0-73.2, Nov. 70.6-70.7.

Tin—779.00-790.00 asked (same).

CHICAGO, February 1.

Lard—Chicago loose 21.52 (same). New York prime steam 23.12.

Live Cattle—Feb. 65.40-65.55 (65.60), April 69.40-69.50 (69.30), June 72.25-72.35, Aug. 72.45-72.30, Oct. 71.00-71.30, Dec. 72.10-72.25, Jan. —, Feb. —.

Live Hogs—Feb. 38.90-38.65 (39.57), April 38.10-38.20 (38.95), June 42.25-42.05, July 43.60-43.50, Aug. 42.90-43.00, Oct. 42.30-42.40, Dec. 44.77, Feb. 45.75, April 45.00.

‡‡Maize—March 276½-277 (274½), May 289½-290 (287½), July 298-298½, Sept. 305, Dec. 312½-312½, March 323½-324.

Pork Bellies—Feb. 39.30-39.15 (40.50), March 39.90-39.60 (41.20), May 42.00-41.80, July 43.80-43.70, Aug. 43.95-44.25, Feb. 52.50, March —, May —, July —, August —.

Silver—Feb. 3475.0 (3573.0), March 3610.0 (3590.0), April 3630.0, June 3580.0, Aug. 3621.0, Oct. 3682.0, Dec. 3703.0, Feb. 3744.0, April 3785.0, June 3826.0, Aug. 3874.0, Oct. 3915.0, Dec. 3958.0, Feb. 4000.0, April 4042.0, June 4084.0, Aug. 4126.0.

‡Soyabeans—March 668-668 (673), May 690-691 (695¾), July 712-712½, Aug. 721, Sept. 724, Nov. 733-734, Jan. 750, March 767.

‖Soyabean Meal — March 185.00 (186.60), May 190.00-190.20 (190.30), July 195.20, Aug. 197.00-197.50, Sept. 198.60-200.00, Oct. 201.00-201.40, Dec. 204.50-204.20, Jan. 205.50, March 210.00-209.50, May —.

Soyabean Oil — March 24.15-24.12 (24.16), May 24.55-24.65 (24.63), July 25.10-25.05, Aug. 25.30-25.25, Sept. 25.50, Oct. 25.60-25.70, Dec. 26.00, Jan. 26.05-26.00, March 26.35, May 26.35-26.45.

†Wheat—March 473-472½ (467½), May 478-479 (473½), July 481½-482, Sept. 491½-492½, Dec. 509-510, March 522.

WINNIPEG, February 1. §Barley—March 115.00 (115.20), May 113.30 (118.50), July 115.20, Oct. 111.00, Dec. 109.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Jan. 31	Jan. 30	M'nth ago	Year ago
308.69	308.85	295.05	260.65

(Base: July 1, 1952=100)

MOODY'S

Jan. 31	Jan. 30	M'nth ago	Year ago
1421.5	1422.9	1399.1	1011.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 31	Jan. 31	Month ago	Year ago
Spot	446.18	444.67	415.89	375.14
F'tur's	453.54	450.79	422.54	369.18

(Average 1924-25-26=100)

REUTERS

Feb. 1	Jan. 31	M'nth ago	Year ago
1822.1	1809.5	1708.7	1515.6

(Base: September 18, 1931=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 2,430 tonnes, bringing the total for the week so far to 2,862 tonnes. Renewed purchasing in many specialist styles attracted much attention. Middle Eastern qualities as well as African and American growths moved off freely.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on February 1. GB—Cattle, 79.22p per kg lw (−0.11). UK—Sheep, 137.3p per kg est dcw (−2.0). GB—Pigs, 57.2p per kg lw (+1.1).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navel/Navelinas 3.60-4.20; Jaffa: Navels/Shamouti 50/185's 3.90-5.80; Greek: 2.50-2.80; Moroccan: 64/113's 3.80-4.00; Egyptian: 2.80-3.80. Satsumas—Spania: 95/189's 3.00-3.80. English Produce: Potatoes—Per bag 2.00-3.00; Lettuce—Per 12, round 1.40-1.70; Mushrooms—Per pound 0.70-0.80; Apples—Per pound Bramley 0.08-0.14, Cox's Orange Pippin 0.07-0.15, Laxton 0.08-0.10, Spartans 0.08-0.14, Red Delicious 0.08-0.14. Pears—Per pound Conference 0.05-0.10, Comice 0.10-0.20. Swedes—Per 25/28 lb 0.70-0.80. Parsnips—Per 28 lb 1.00-1.20. Turnips—Per 28 lb 1.00-1.20. Rhubarb—Per pound, forced 0.20-0.21. Sprouts—Per pound 0.05-0.08. Cabbages—Per bag 0.80-0.90, White cabbages 1.50. Onions—Per bag 2.20-2.80. Carrots—Per bag 0.50-0.80. Beetroots—Per bag 1.00-1.10.

Stock Exchange dealings

Thursday, January 31	21,294
Wednesday, January 30	23,564
Tuesday, January 29	22,822
Monday, January 28	21,305
Friday, January 25	23,407
Thursday, January 24	23,058

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. A Bargains done with or between non-members. ф Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (504)

CORPORATIONS (17)

Glasgow 9½pc 86¼ 6
Gloucestershire 9¼pc 92¾ (30/1)
Greenwich 11½pc 91½ (29/1)
Hertfordshire 5½pc 96¼ (28/1). 5½pc 70 (30/1). 6½pc 69¾ (30/1)
Huntingdon Peterborough 9½pc 84½ (29/1)
Islington 12½pc 91ф. 14pc 96½ (29/1)
Kent County 9¼pcRed. 95¼ (29/1)
Liverpool (City) 92¾ (26/1)
Newcastle-upon-Tyne Corp. 9¼pcCons.Red. 1981-83 83½
St. Helens (Met. Bor.) 11¼pc 90 (29/1)
Salford Corp. 5½pc 62¼ (29/1)

PUBLIC BOARDS (10)

COMMONWLTH. GOVTS. (8)

FOREIGN STOCKS (1)

FOREIGN CORPNS. (1)

BANKS (141)

BREWERIES (79)

Bass Invest 7½pcLn. 57¾ (30/1)
Belhaven Brewery Gp. (25p) 36ф 5¼ф
Bell (A.) Sons (50p) 180
Boddingtons Breweries (25p) 112ф
Brown (M.) (25p) 138
Buckley Brewery (25p) 51 (29/1)
Bulmer (H. P.) Hldgs. (25p) 146 7 (29/1)
Burtonwood Brewery (25p) 249 (25/1). 7pcPf. 47 (28/1)
City of London Brewery Inv 7st. Deferred Stk. (25p) 66 (30/1)

Hypothermia may kill divers

HYPOTHERMIA could account for unexplained diving deaths, according to Professor Bill Keatings, head of the London Hospital Medical School's department of physiology.

Writing in the British Medical Journal, he said thin divers were more susceptible than fat divers to hypothermia. In one case a thin diver developed hypothermia during a 55-minute dive, while a fat diver had a normal body temperature after a one-hour failure of the warm water supply to his diving suit.

An average of more than six divers a year died in the North Sea between 1974-79, mainly in the UK sector. "At least half of these deaths were partly or completely unexplained. Many other divers survived periods of unexplained confusion and loss of consciousness."

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.310	—	—	5	9	—	—	F.299
AKZ C	F.22.50	29	1.90	—	—	—	—	F.25.80
AKZ C	F.25	17	0.80	—	—	—	—	''
AKZ C	F.27.50	1	0.20	—	—	—	—	''
AKZ C	F.25	—	—	25	1.40	—	—	''
AKZ C	F.27.50	—	—	11	0.50	—	—	''
AKZ C	F.30	—	—	8	0.20	—	—	''
AKZ C	F.25	—	—	—	—	10	1.90	''
AKZ P	F.25	156	1.40	—	—	—	—	''
AKZ P	F.22.50	—	—	—	—	20	0.70	''
ARB C	F.65	5	1.20	1	2.50	—	—	F.61.70
CSF C	F.400	8	159	—	—	—	—	F.549
FNC C	$20	5	2½	—	—	—	—	$21⅝
HEI C	F.70	—	—	8	6	20	7.80	F.71.30
HEI P	F.70	5	2	—	—	—	—	''
HEI P	F.75	5	4	—	—	—	—	''
HO C	F.27.50	—	—	6	0.60	—	—	F.21.50
IBM C	$70	10	3⅛	6	5⅛	—	—	$68¾
IBM C	$65	—	—	—	—	1	9⅝	''
IBM C	$75	—	—	—	—	1	4½	''
KLM C	F.50	5	13	—	—	—	—	F.71.60
KLM C	F.70	45	5.60	—	—	—	—	''
KLM C	F.80	49	1.60	—	—	—	—	''
KLM C	F.90	1	0.50	—	—	—	—	''
KLM C	F.100	10	0.20	—	—	—	—	''
KLM C	F.70	—	—	5	7.60	—	—	''
KLM C	F.80	—	—	18	5	—	—	''
KLM C	F.90	—	—	10	1.20	—	—	''
KLM C	F.70	—	—	—	—	3	9	''
KLM C	F.80	—	—	—	—	8	4.50	''
KLM P	F.60	76	1.60	—	—	—	—	''
KLM P	F.70	74	5.90	—	—	—	—	''
KLM P	F.80	20	18.20	—	—	—	—	''
KLM P	F.70	—	—	26	5.80	—	—	''
NN C	F.115	2	6.70	—	—	—	—	F.118.50
NN C	F.120	21	5.10	—	—	—	—	''
PET C	Fr.5000	5	950	—	—	—	—	Fr.5760
PET C	Fr.5800	2	580	—	—	—	—	''
PHI C	F.20	8	1.30	—	—	—	—	F.20.30
PHI C	F.25	6	0.10	—	—	—	—	''
PHI C	F.20	—	—	35	1.40	—	—	''
PHI C	F.22.50	—	—	3	0.70	—	—	''
PHI C	F.20	—	—	—	—	37	1.90	''
PHI C	F.22.50	—	—	—	—	40	0.90	''
PHI P	F.22.50	8	2.10	—	—	—	—	''
PRD C	$25	—	—	—	—	15	5¼	$28¾
RD C	F.140	4	19	—	—	—	—	F.158
RD C	F.145	2	15.60	—	—	—	—	''
RD C	F.150	104	10.20	—	—	—	—	''
RD C	F.160	156	4.10	—	—	—	—	''
RD C	F.150	—	—	10	11	—	—	''
RD C	F.160	—	—	168	5.40	—	—	''
RD C	F.150	—	—	—	—	10	12	''
RD C	F.160	—	—	—	—	13	8.50	''
RD P	F.145	34	1.10	—	—	—	—	''
RD P	F.160	159	2.20	—	—	—	—	''
RD P	F.150	77	5.90	—	—	—	—	''
RD P	F.145	—	—	—	—	56	4.40	''
UNI C	F.115	5	4.40	—	—	—	—	F.115.10
UNI C	F.120	3	8.10	—	—	—	—	''
UNI C	F.125	10	1	—	—	—	—	''
UNI C	F.115	—	—	15	5	—	—	''
UNI C	F.120	—	—	4	3.40	—	—	''
XON C	$60	5	3	—	—	—	—	$60⅛
		Feb.		May		Aug.		
BA C	$70	—	—	99	4⅛	—	11½	$66⅝
BA C	$60	—	—	—	—	2	—	''
OXY C	$25	6	3½	—	—	—	—	$28¼
SLB C	$80	4	26	—	—	—	—	$104⅛
SLB C	$90	7	14¼	—	—	—	—	''
SLB C	$100	7	6	—	—	—	—	''
SLB C	$90	—	—	10	17⅜	—	—	''
SLB C	$100	—	—	5	10¼	—	—	''

TOTAL VOLUME IN CONTRACTS 1723

C=Call P=Put

COMMERCIAL (2,096)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (28)

INSURANCE (103)

INVESTMENT TRUSTS (151)

FINANCIAL TRUSTS (83)

Bishopsgate Prop. and G.). 4¼ 0¼ 5 (29/1)
Boustead (10p) 58ф
Britannia Arrow Hldgs. (25p) 25½ 5 6. Wrrnts. to sub. for Ord 9 (29/1)
Charterhouse Group (25p) 72ф 2 70 1. 7pcDb. 60½ (30/1)
Corinthian Hldgs. (10p) 38

Northern Secs. (25p) 130 (23/1)
Progressive Secs. (50p) 55 (29/1)
Prov. Cities (25p) 31½ 30 (25/1)
Raeburn Inv. (25p) 115½ (28/1)
Rights Issues Inv. Inc. (25p) 23½. Cap. (25p) 33
River Mercantile (25p) 190ф
Robeco (Rotterdamsch Bel. NV) (Br) (F150) 39¾ (29/1). Do. Sub.shs. (Reg. Nat.Prov.) (F(5) 394 5 0

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Serck	25p	11	69	+18	82	35
Premier Cons.	5p	10	61½xr	+ 2½	61½	4½
ICI	£1	9	375	− 8	415	314
Beecham	25p	8	117	− 6	189	114
Lonrho	25p	7	103	+ 1	109	62
BAT Inds.	25p	6	258	− 4	362	230
Burmah Oil	£1	6	183	− 3	197	82
Cons. Gold Fields	25p	6	478	+ 8	485	178
Debenhams	25p	6	87	+ 3	98	59
GEC	25p	6	349	− 5	456	311
RTZ	25p	6	408	+ 2	417	226
Lucas Inds.	£1	5	255	− 5	310	195
Shell Transport	25p	5	346	−12	402	278
Tricentrol	25p	5	262	− 6	284	148
Unilever	25p	5	456	− 4	680	448

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
ICI	£1	53	375	—	415	314
RTZ	25p	51	408	+ 6	417	226
BP "New"	25p	49	148	+13	182	128
Racal Elect.	25p	49	226	—	276	168½
Burmah Oil	£1	46	183	+ 5	197	82
Shell Transport	25p	46	346	+ 2	402	278
Imp. Cont. Gas	£1	44	698	+23	710	358
GEC	25p	43	349	−10	456	311
Premier Cons.	5p	43	61½xr	+ 6½	61½	4½
BAT Inds.	25p	42	258	− 7	362	230
Beecham	25p	41	117	−11	189	114
Assoc. Dairies	25p	40	168	−20	204	128
Cons. Gold Fields	25p	39	478	+26	485	178
Serck	25p	39	69	+29	82	35
Reed Intl.	£1	36	200	+10	206	149

UNIT TRUSTS (3)

MINES

Australia (24)

Miscellaneous (100)

Rhodesian (7)

South African (87)

West African (—)

Diamond (7)

OIL (299)

PROPERTY (100)

RUBBER (49)

TEA (7)

U.K. AND COMMONWEALTH RAILWAYS

FOREIGN RAILWAYS

SHIPPING

CANALS (3)

WATERWORKS (2)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

JANUARY 31

Australian Cons. Minerals 19
Beach Pets. 70 09 72
Blue Metal 59
Bougainville Copper 175 6
Bridge Oil 123
CSR 285 920
Canadian North-West Australian Oil 15
Central Norseman £31¼ ⅛
Central Pacific Minerals £24 3½ 4
Cheung Kong 203¼
Ciba Geigy 8¼pcConv. £84½
Cluff Oil Australia 19 ¼ ⅛
Continental Corp. £12⅞
Conzinc Rio Tinto 297 9 302
Dome Pets. £23¼
Dorfwche Pets. £46
Endeavour Resources 23¼ ¼ 4 3½
Falconbridge Nickel £49
Gold Mines of Kalgoorlie 203
Gollstream Resources 265 72 95
Hamersley Hldgs. 212
Hudson's Bay Oil and Gas £41
Imperial Oil A £17¾
Jardine Matheson 159 8½ 60 55 01
Jimberlana Minerals 101
Kulim Malaysia 53
Lennard Oil 117
MIM Hldgs. 504 8 7
Malaysian Plantations 02 59
Metals Ex. 05
Metramar Minerals 18
Mid East Minerals 17
Monarch Pets. 34
North Broken Hill 168 700 00
Northern Mining 140
Oakbridge 188 90
Ocean Resources 9½

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Alyn and Deeside (0244 531212)	15½	½-year	5,000	1
Barnsley (0226 203232)	14⅞	½-year	1,000	2
Knowsley (051-548 6555)	15	½-year	1,000	1
Redbridge (01-478 3020)	13¾	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yro., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.60 3 yrs., 11.35 3 mt ol
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 years.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.25 3 mth., min. £1,000
Nationwide	10.20	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yr., 11.6 6 mth. oot. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

JANUARY 31

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

JANUARY 31

JANUARY 30

JANUARY 29

JANUARY 28

JANUARY 25

Candecca Resources 93 1 90
CCP North Sea Assoc. 280 70 5 3 05
Cluff Oil 440 30
Cluff Oil Cnv. A Income Warrants 432
Gas and Oil Acreage 383 76 70
Siebens Oil and Gas (UK) 660 54 50 48 6 4 40 38 6 4 2 30 25 6 5 4 20 18 8 4 2
Viking Oil 663 3 60 47

(By permission of the Stock Exchange Council)

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate rose by 0.4415 per cent at yesterday's tender to 16.1858 per cent reflecting the comparatively low return on bills against the cost of overnight financing recently. The minimum accepted bid fell to £95.94 from £96.06, and bids at that level were met as to about 22 per cent and above in full. The £300m bills on offer attracted bids of £789.895m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in short supply in the money market, and the authorities gave a moderate amount of assistance. This comprised moderate purchases of Treasury bills and a small number of corporation bills, all direct from the discount houses, as well as a small amount lent to one or two houses at MLR for repayment on Monday.

The market was faced with the repayment of Thursday's moderate market advances and a small net take up of Treasury bills to finance. There was also a small increase in the note circulation.

THE POUND SPOT AND FORWARD

Feb. 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2670-2.2760	2.2735-2.2745	0.82-0.72c pm	4.06	1.90-1.80 pm	3.25
Canada	2.6180-2.6320	2.6280-2.6290	1.10-1.00c pm	4.79	2.60-2.50 pm	3.88
Nethlnd.	4.36½-4.39½	4.37½-4.38½	2¾-1¾c pm	6.16	7½-6½ pm	6.05
Belgium	64.30-64.60	64.40-64.50	22-12c pm	3.10	59-49 pm	3.35
Denmark	12.37½-12.42½	12.40¾-12.41¾	½ore pm-1½ dis	−0.48	¾-2¾ dis	−0.56
Ireland	1.0710-1.0755	1.0720-1.0730	0.05-0.15p dis	−1.12	0.15-0.25dis	−0.74
W. Ger.	3.95-3.98	3.96¾-3.97¾	3¾-2¾pf pm	9.45	9½-8½ pm	8.69
Portugal	114.00-114.60	114.35-114.55	15c pm-35 dis	−2.62	5-105 dis	−1.92
Spain	150.30-150.80	150.60-150.70	10-60c dis	−2.79	30-130 dis	−2.12
Italy	1,836-1,841	1,839-1,840	4¼-6¼ lire dis	−3.42	15-17 dis	−3.48
Norway	11.09-11.15	11.12-11.13	7½-5¾ore pm	7.28	19¾-16¾ pm	6.20
France	9.27½-9.30½	9.27¾-9.28¾	5-4c pm	5.82	11¼-10¼ pm	4.63
Sweden	9.46-9.49	9.47¾-9.48¾	3¾-1¾ore pm	3.48	9½-7½ pm	3.58
Japan	542-549	546-547	4.70-4.40y pm	9.99	12.30-12.00pm	8.89
Austria	28.40-28.60	28.55-28.60	25-15gro pm	6.40	67-57 pm	8.68
Switz.	3.70½-3.73½	3.71-3.72	4¼-3¼c pm	12.11	11¼-10¼ pm	11.57

Belgian rate is for convertible francs. Financial franc 65.85-65.95.
Six-month forward dollar 2.90-2.80c pm, 12-month 4.20-4.10c pm.

EXCHANGES AND BULLION

Sterling rose against most currencies yesterday, apparently shrugging off the decision by the House of Lords to allow the Iron and Steel Trades Confederation to involve private steel companies in its dispute with the British Steel Corporation. Sterling rose to $2.2735-2.2745 against the dollar, a rise of 70 points from Thursday. It opened at $2.2725 and traded around $2.2700 for most of the morning and early afternoon. During the afternoon it fell on dollar strength to $2.2670, but came back to $2.27 before improving quite sharply in the last 10 minutes or so of trading. On Bank of England figures, its trade weighted index rose to 72.0 from 71.8, having stood at 72.0 at noon and 72.1 in the morning.

The dollar fluctuated gently throughout the day, and finished hardly changed on balance. Against the D-mark it eased to DM 1.7435 from DM 1.7440 but rose to Y240.40 from Y239.90 against the yen. The U.S. unit was quoted at SwFr 1.6330 against the Swiss franc, compared with SwFr 1.6375 on Thursday. On Bank of England figures, its trade weighted index rose slightly to 85.2 from 85.1.

Gold closed at $675-680, a rise of $27½ an ounce. Trading was quiet for most of the day.

GOLD

	February 1		January 31	
Gold Bullion (fine ounce)				
Close	$675-680	(£297⅛-298⅝)	$645-655	(£284½-289)
Opening	$672-600	(£295.6-299.2)	$675-683	(£297¾-302¼)
Morning fixing	$675.50	(£296.847)	$668	(£294.728)
Afternoon fixing	$676.50	(£297.886)	$653	(£287.982)
Gold Coins				
Krugerrand	$679-686	(£295-300)	$642-650	(£283-288)
Mapleleaf	$679-680	(£295-500)	$642-650	(£283-288)
New Sovereigns	$168-172	(£74-78)	$154-159	(£68-71)
King Sovs	$168-172	(£74-78)	$154-158	(£68-71)
Victoria Sovs.	$180-190	(£77-87)	$157-162	(£69-72)
Fr 20 Napoleon	FFr710-725	(SFr245-255)	FFr 715-725	(SFr245-255)
50 pesos Mexico	$830-840		$785-815	
100 Cor. Austria	$660-670		$625-635	
$20 Eagles	$750-760		$750-740	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Feb. 1	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.274	3.968	546.5	9.283	3.715	4.380	1840.	2.629	64.45
U.S. Dollar	0.440	1.	1.745	240.3	4.083	1.634	1.926	808.9	1.156	28.34
Deutschemark	0.252	0.573	1.	137.7	2.340	0.936	1.104	463.6	0.663	16.24
Japanese Yen 1,000	1.830	4.161	7.260	1000.	16.99	6.798	8.015	3366.	4.810	117.9
French Franc 10	1.077	2.450	4.274	588.7	10.	4.002	4.719	1982.	2.832	69.43
Swiss Franc	0.269	0.612	1.068	147.1	2.499	1.	1.179	495.2	0.708	17.35
Dutch Guilder	0.228	0.519	0.906	124.8	2.118	0.848	1.	420.0	0.600	14.71
Italian Lira 1,000	0.544	1.236	2.157	297.1	5.046	2.020	2.381	1000.	1.429	35.04
Canadian Dollar	0.380	0.865	1.509	207.9	3.531	1.413	1.666	699.8	1.	24.52
Belgian Franc 100	1.552	3.528	6.156	847.8	14.40	5.764	6.796	2854.	4.078	100.

LONDON MONEY RATES

Feb. 1 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	18½-28½	—	—	—	17¼-17¾	16-17	—	—	—
2 days notice	—	—	17⅞-18	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅛-17¾	17⅞-18	—	18⅛	17¾-17⅞	16⅝-17	—	—	—
One month	18-17⅞	17⅞-18	17⅞	19¼-18	18¼	18	16⅝-16⅞	16⅛	18	18⅜
Two months	18-17⅞	17⅞-17⅞	—	18¾-18½	18⅛	—	16⅝-16¾	16⅛-16¹⁄₁₆	17¾	18⅛
Three months	17⅞-17⅝	17¾-17⅞	17⅝-17¾	18⅛-17½	18	18	16⅝	16⅛	17¼	17½
Six months	16⅞-16⅝	16⅞-16⅞	16⅝-16¾	16½-16¼	17⅜	—	—	—	16⅞-10	16⅛
Nine months	16⅛-15¾	16-16¼	—	16½-16⅞	16⅝	—	—	—	—	—
One Year	26⅛-16½	16¼-16	15½-15¾	16-15½	16⅛	—	—	—	—	—
Two years	—	—	16⅝-15½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 15⅞-15½ per cent; four years 15⅝-15¾ per cent; five years 15¹³⁄₁₆-15⅛ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅝ per cent; four-month trade bills 17¼ per cent.

Approximate selling rates for one-month Treasury bills 16 per cent; two-months 16-16¹⁄₁₆ per cent; three-months 16¹⁄₁₆ per cent. Approximate rate for one-month bills 17½-17¹³⁄₁₆ per cent; two-months 17½-17¾ per cent; three-months 17-17⅛ per cent; one-month trade bills 18¼ per cent; two-months 18 per cent and three-months 17⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1858 per cent.

CURRENCY MOVEMENTS

Feb. 1	Bank of England Index	Morgan Guaranty changes %
Sterling	72.0	−34.0
U.S. dollar	85.2	−8.5
Canadian dollar	81.8	−16.2
Austrian schilling	157.2	+23.9
Belgian franc	115.2	+13.6
Danish kroner	108.2	−5.3
Deutsche mark	157.8	+46.1
Swiss franc	189.0	+78.1
Guilder	125.8	+19.8
French franc	102.0	−5.6
Lira	55.1	−49.6
Yen	117.4	+16.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.90-14.00 per cent; three-months 14.00-14.10 per cent; six months 14.05-14.15 per cent; one year 13.50-13.60 per cent.

Feb. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17½-17⅞	13⅝-13⅞	12¾-13¾	10⅞-11⅛	⅝-¾	8⅛-8¼	12-12¼	12-10	—	4⅞-9⅞
7 days' notice	17⅝-18⅛	15½-13¾	12¾-15¾	11-11¼	2⅛-2¾	8⅟₁₆-8⅟₁₆	12-12¼	20½-24	13½-13⅝	7 7⅛
Month	18¼-18½	35⅞-14⅛	13⅛-13⅞	11⅛-11⅜	4⅛-5	8⅛-8⅞	12⅛-12⅜	20¾-22	15⅞-14	7½-8
Three months	37⅝-37⅞	14⅛-14⅜	13⅝-14	11¼-11½	6⅛-5⅞	8⅛-8⅞	12⅛-12⅞	20-21⅞	14¼-14⅜	8⅛-8⅝
Six months	20¾-17	14⅛-14⅜	13½-13⅞	11¼-11½	3⅛-5⅛	8⅛-8⅞	13⅛-15½	30¼-21	14¼-14⅝	8⅛-8½
One year	15⅛-36⅛	13¾-14	13⅛-13⅞	11¼-11½	5⅛-5⅛	8⅛-8⅞	13⅜-13⅝	21-22	13⅛-13⅛	8⅛-8⅞

Long-term Eurodollar two years 12¾-12⅞ per cent; three years 12⅞-12¾ per cent; four years 12¼-12½ per cent; five years 12⅛-12⅜ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5247	+1.85	+1.47	±1.53
Danish Krone	7.72336	7.80030	+1.00	+0.62	±1.64
German D-Mark	2.48208	2.49498	+0.52	+0.14	±1.125
French Franc	5.84700	5.84584	−0.02	−0.40	±1.357
Dutch Guilder	2.74362	2.75528	+0.42	+0.04	±1.512
Irish Punt	0.668201	0.676057	+1.18	+0.80	±1.668
Italian Lira	1157.79	1157.39	−0.03	−0.03	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Feb. 31	£	$		£ Note Rates
Argentina Peso	3771-3791	1660-1670	Austria	28.00-28.55
Australia Dollar	2.0510-2.0350	0.9040-0.9043	Belgium	65.56-66.05
Brazil Cruzeiro	99.01-100.01	43.50-44.00	Denmark	12.39-12.46
Finland Markka	8.41-8.42	3.7080-3.7100	France	9.25-9.31
Greek Drachma	n/a	n/a	Germany	3.96½-3.98
Hong Kong Dollar	10.96⅛-10.98⅛	4.8370-4.8400	Italy	1900-1950
Iran Rial	n/a	n/a	Japan	545-550
Kuwait Dinar (KD)	0.614-0.624	0.2724-0.2725	Netherlands	4.36½-4.39½
Luxembourg Frc.	64.40-64.50	28.32-28.34	Norway	11.10-11.17
Malaysia Dollar	4.9545-4.9666	2.1800-2.1850	Portugal	112½-131
New Zealand Dlr.	2.3075-2.3125	1.0165-1.0175	Spain	148½-157
Saudi Arab. Riyal	7.58-7.68	3.3585-3.3625	Sweden	9.48-9.54
Singapore Dollar	4.8865-4.8975	2.1555-2.1563	Switzerland	3.71½-3.73½
Sth. African Rand	1.8593-1.8630	0.8175-0.8185	United States	2.268-2.276
U.A.E. Dirham	8.45-8.55	3.7420-3.7460	Yugoslavia	48-51

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 1/2/80

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	151.00	47.6	77-81	6.8	4.5	−10.7	−12 to −4	0.0	13.9	8.2	+18.9
British Land 12pc Cv. 2002	7.71	230.00	333.3	80-97	5.3	3.7	− 0.7	− 4 to 12	0.0	91.4	39.4	+40.2
Hanson Trust 6½pc Cv. 88-93	3.38	81.00	57.1	76-81	8.3	9.3	− 1.6	− 7 to 14	6.0	6.2	0.2	+ 1.8
Slough Estates 10pc Cv. 87-90	5.50	214.00	187.5	78-86	4.7		− 1.6	− 6 to 9	36.4	42.7	2.9	+ 4.5
Slough Estates 8pc Cv. 91-94	24.88	110.00	78.0	80-91	7.3	6.8	21.6	20 to 28	25.5	49.4	26.4	+ 4.8
Thorn Electrical 5pc Cv. 90-94	1.73	87.50	29.1	75-80	5.7	6.3	− 1.1	− 4 to 26	0.0	0.0	0.0	+ 1.1
Ultramar 7pc net R.Cv.Pfd.	12.59	2.26	0.5	76-83	4.4		− 2.0	− 7 to 3	25.3	24.7	− 0.2	+ 1.7
Wilkinson Match 10pc Cv. 84-98	11.10	78.00	40.0	76-83	13.0	13.3	25.8	18 to 41	20.2	28.4	13.1	−12.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Long Gilt weakness makes for nervous atmosphere
Leading shares at day's lowest—GEC to bid for Decca

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Marked weakness in Gilt-edged securities made for nervous conditions throughout stock markets yesterday. Further distress selling by Discount Houses experiencing liquidity problems because of continuing extreme credit shortages in money markets put more pressure on short Gilts. But it was the advent of unexpected sharp falls among longer-dated stocks which defied explanation and unsettled the overall atmosphere.

Fears revived of further stock indigestion and it was thought that at least one broking house might be suffering the effects of an overbought position regarding the recently-exhausted long tap stock. Potential sellers thus found quotations persistently retreating in a thin and sensitive market. Rallies were attempted but none were successful until after the official close.

The pattern was similar at the shorter end of the market. Conditions in this sector were more comfortable and a recovery set in following the late announcement that the recall of £500m special deposits had been deferred from next Friday until April 8. Falls here were reduced from ¾ to about ¼ and, in sympathy, losses in the longs were clipped from 1½ to a point.

The combined effects of the steel dispute and the international situation restrained investment enterprise in the equity sections. Leading shares opened lower, but rallied on professional bear-covering before easing progressively following the trend in British Funds. The FT 30-share index reduced a loss of 4.7 at 10.00 am to only 1.3 an hour later, but closed 5.5 down at the day's lowest of 447.8 for a net fall of 4.8 over the first leg of the current trading Account.

Traded options attracted 1,031 contracts, almost twice the previous day's total, for a week's daily average of 865. Cons. Gold Fields were active with 349 deals, the April 500 series alone recording 225 trades.

Banks lower

Press comment ahead of the dividend season failed to enthuse the major clearing banks which drifted lower with the general trend. **Lloyds**, the first to report on February 22, closed 8 lower at 300p, while **NatWest** declined 6 to 356p. Elsewhere, **Arbuthnot Latham** put on 4 to 220p among merchant banks where **Goode Durrant and Murray** firmed 2 to 26½p. **Corinthian**, however, shed 2 to 38p as did **Keyser Ullmann**, to 66p. Reflecting the chairman's cautious statement, **FNFC** gave up 1¼ to 15½p, after 15p.

Reflecting concern that Marsh McLennan's bid might be referred to the Monopolies Commission, **Bowring** cheapened 3 to 142p. Elsewhere among Lloyd's brokers, **Willis Faber** dipped 2 to 218p and **Alexander Howden** relinquished a similar amount to 104p. **Royals** fell 8 to 335p in Composites and **Sun Alliance** declined 8 to 650p.

Breweries finished a shade easier after a reasonably active business. A particularly useful two-way trade was transacted in **Vaux** on the back of the £21m sale to Allied; the former eased a couple of pence to 148p, while **Allied** lost a fraction to 73p. Elsewhere among the leaders, **Bass**, 198p, and **Whitbread**, 127p, both gave up 2, as did **Greenall Whitley**, at 165p. Wines and Spirits also closed easier with falls of around 3 common to **Arthur Bell**, 172p, **Invergordon**, 214p, and **Distillers**, 197p.

Buildings were subjected to a small scrappy business. **Blue Circle** hardened a couple of pence more to 294p for a gain on the week of 18, still on possibilities of an increase in cement prices. **Taylor Woodrow** touched 354p before settling 2 cheaper on balance at 350p, while **Costain** eased 4 to 140p and **Norwest Holst** cheapened 2 to 109p, the last-named still awaiting bid developments. **I.D.C.**, a particularly good market of late on the results and proposed three-for-two scrip issue, eased 4 to 173p but still held a gain on the week of 41p. A certain amount of interest was shown in Timber issues; speculative demand in a thin market lifted **Phoenix** 9 to 144p, while **International Timber** added 3 to 111p and **Montague L. Meyer** improved 2 to 90p. Reflecting demand that developed late on Thursday, **Brownlee** firmed 4 to 91p. Elsewhere, small buying prompted a gain of 2 to 35p in **A. Monk**, while **Vectis Stone** hardened a penny to 32p on the chairman's annual statement.

A couple of pence firmer initially on bear closing, **ICI** slipped back on lack of interest and closed 8 down on balance at 376p. **Fisons** remained on offer and shed 7 more for a three-day fall of 15 to 277p.

Debenhams firm

Despite adverse Press comment, **Debenhams** continued to be stimulated by bid rumours and closed 3 better at 87p, after 88p. **Marks and Spencer** edged forward a penny to 88p but other Store leaders drifted lower. Elsewhere, **Bolton Textile** hardened 2 to 32p following a Press mention and **A. G. Stanley** hardened 2 more making a rise on the week of 12 at 78p on continuing hopes of a bid from Berger Jenson. Still unsettled by the interim profits setback, **Henderson-Kenton** dipped a couple of pence to 97p, after 95p. **Moss Bros.** declined 7 to 285p, while falls of around 3 were seen in **Status Discount**, 59p, **E. Upton**, "A," 36p, and **Wharf Mill**, 62½p.

Dealings were temporarily suspended in **Decca** ordinary and "A" shares at 390p and 338p respectively following the announcement that GEC is formulating a counter-offer for Decca, the terms of which will be announced as soon as possible. Current bidders **Racal** met selling on the ensuing bid battle and fell to 225p before settling a shade above the worst at 226p for a fall of 13. **GEC** also weakened, closing 5 down at 348p, after 345p. **Ferranti**, however, moved up 15 to 480p accompanied by talk that GEC's counter-bid would be thwarted and that the company could be GEC's next target. Elsewhere in Electricals, **Wholesale Fittings** advanced 30 to 490p in response to good interim results, while a Press report suggesting that the Kuwait Investment Office had sold its 8.4 per cent stake in the company stimulated speculative interest in **Muirhead**, 9 higher at 205p, after 208p.

Engineers were featured by **Serck** which closed 18 higher at 69p, after 75p, following news that Rockwell International had purchased a 29.7 per cent holding in the company and intends to seek an early discussions with a view to a closer relationship. Elsewhere, **Hill and Smith** continued firmly after comment on the annual results and improved 1½ more to 52p, but **Westland** closed 2 cheaper at 76p following news that John Brown had placed its 16.4 per cent stake in the company through the market at around 70p. **Delta Metal** 2 lower at 63½p were unsettled by the announcement of redundancies at its Enfield, Middlesex, rolling mills division. On the other hand, **Stothert and Pitt** came to life with a rise of 7 to 117p, while gains of 5 were seen in **B. Elliott**, 242p, and **Wolseley-Hughes**, 270p.

Disturbed during the week by profit margin worries, Foods made another dull showing. **Associated Dairies** eased 2 further to 168p for a fall on the week of 20. **Tate and Lyle** gave up 4 to 166p on the chairman's warning about current prospects. **Barker and Dobson**, a good market of late on Press comment, shed 3½ to 28p on profit-taking. In contrast, **Louis C. Edwards** firmed 3½ for a two-day gain of 9 in continued response to the acquisition of Dalgety's Frozen Foods, while the former's prospective merger partner **Morgan Edwards** put on 6 to 112p, after 114p, on small buying.

Ladbroke, at 159p, gave back 3 of the previous day's gain of 9 after adverse Press comment. Elsewhere in Hotels and Caterers, **Grand Metropolitan** eased 4 to 133p and **Trusthouse Forte** shed 5 to 157p.

Metal Box fall

On the announcement that the company will begin laying workers off next week because of the effects of the steel strike, **Metal Box** closed 16 down at 238p. Other miscellaneous industrial leaders gave ground with **Beecham** and **Glaxo** still friendless on continuing talk of a drug price war in the U.S.; the former lost 6 more to 117p and the latter 10 further to 467p. Elsewhere, adverse comment on the toy industry brought selling pressure to bear on **Dunbee-Combex**, which fell 4½ to 19½p, while **Channel Tunnel** shed 15 to 105p on further profit-taking after recent firmness stemming from reports of a go-ahead for the building of a £700m tunnel. **Thermal Syndicate** advanced 8½ to 105p on speculative buying and **Metal Closures**, at 119p, recorded a Press-inspired improvement of 6. Investment support was again forthcoming for **Sotheby's** after an investment recommendation and the close was 6 higher at 493p. **First Castle Securities** found support at 37p, up 6, and **Marshall Universal** improved 4 to 114p.

Motors and kindred issues were again mixed. In Components, **Dowty** continued dull ahead of next week's interim results and ended 6 lower for a week's fall of 18 at 158p, while **Associated Engineering** remained unsettled by the uncertain tone of the chairman's annual statement and fell 3 more to 71½p. **Lucas** eased 3 to 255p, and **Dunlop** lost the turn to 57p. Distributors, however, tended to higher levels. **Heron** found support and rose 4 to 37p, while **Tate of Leeds** added a few pence to 87p. Still buoyed by takeover speculation, **Caffyns** put on 2 for a gain on the week of 36 to 179p. **ERF** improved 3 to 97p, but **York Trailer** shed a couple of pence to 36p.

Properties were featured by **Town and City** which shed 2 to 17¾p after 17½p, on the disappointing interim statement. Other issues drifted lower in the absence of buyers with **Land Securities** shedding 3 to 284p and **Stock Conversion** losing 4 to 362p. Falls of a couple of pence were marked against **Haslemere Estates**, 282p, and **Slough Estates**, 142p, while **London and Provincial Shop**, a thin market, relinquished 7 to 273p. **Churchbury Estates** provided an isolated firm spot, adding 10 to 460p.

Oils quieter

Interest in the Oil sector faded further after recent activities. However, profit-taking was again evident and, despite the occasional rally, falls were well in the majority. Among the leaders, **BP** closed 6 off at 358p with the new shares 4 cheaper at 148p. Switching into **Royal Dutch** prompted noticeable dullness in **Shell** which closed 12 down at 346p. Among secondary issues, **Aran Energy** rallied 16 to 292p, but **CCP North Sea**, 298p, and **Gas and Oil Acreage**, 340p, fell 11 and 10 respectively. **Premier** were quoted ex rights at 61½p; a good turnover developed in the new shares which opened at 35½p premium and touched 38½p premium before settling at 37½p premium.

In Overseas Traders, speculative buying prompted rises of around 6 in **Steel Brothers**, 160p, and **William Jacks**, 42p. **Lonrho** firmed a penny to 103p in front of Monday's preliminary results.

A buoyant sector earlier in the week, Plantations succumbed to profit-taking. **Castlefield** fell 10 to 450p, while fading bid hopes left **Barlow** 5 cheaper at 107p. **London Sumatra** eased 2 to 433p, but still retained a gain on the week of 43p. **Guthrie** proved an isolated firm spot, closing 15 up for a week's rise of 43 to 723p. In Teas, **Lunuva** shed 5 to 365p while, on further consideration of Thursday's disappointing half-timer, **Warren** gave up 2 to 150p.

Gold shares ended a volatile week on a quietly firm note in the wake of the bullion price which added $27.50 to $677.50 an ounce. The latter has registered heavy swings either way throughout the week prior to ending $7.50 higher over the five-day period.

Golds were marked up at the outset yesterday, but failed to attract any significant interest. Consequently, the Gold Mines index registered a gain of 3.5 at 333.4—its smallest movement this year.

South African Financials moved similarly to Golds. **Amgold** added ½ to £39, after £39½ and "**Johnnies**" ½ to £29½. **De Beers** rose 12 more to 478p, still reflecting the increase announced this week in prices of large rough diamonds.

Gold Fields dominated proceedings in London Financials: renewed bid speculation lifted the shares to a 1979-80 high of 485p in early dealings before profit-taking pared the price to 478p, a net gain of 8. **Rio Tinto-Zinc** touched 412p but gave ground to close only 2 firmer on balance at 408p, while **Selection Trust** put on 6 to a 1979-80 high of 700p.

Platinums attracted small-scale buying which left **Rustenburg** 8 better at 279p and **Impala** 4 up at 286p. Following news that South Africa's "Old Mutual" is offering 345 cents (184p) for shares in **Lydenburg Platinum**, dealings in the latter are expected to be resumed next Monday; market opinion suggests an opening price of between 155p to 165p.

Australians were mixed despite the firmness of overnight domestic markets. A sharp rise in Coals following the speculation surrounding White Industries prompted good gains in **Oakbridge**, 41 higher at 235p, and **Utah Mining**, 10 up at 240p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	300	71	10	—	—	—	—	559p
BP	350	34	1	—	—	—	—	"
BP	360	—	—	40	10	—	—	"
BP	375	23	41	—	—	—	—	"
BP	390	—	—	31	10	—	—	"
BP	400	12	22	—	—	—	—	"
[illegible]								

FINANCIAL TIMES STOCK INDICES

	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 28	Jan. 25	A year ago
Government Secs.	66.45	67.27	67.69	67.65	67.64	67.78	65.80
Fixed Interest	68.17	68.76	69.04	68.89	69.01	69.40	67.21
Industrial	447.9	453.3	457.6	464.0	453.6	462.4	467.3
Gold Mines	352.4	329.9	350.6	334.6	311.2	324.9	171.6
Ord. Div. Yield	7.30	7.20	7.16	7.08	7.25	7.27	6.14
Earnings Yld. % (full)	18.00	17.76	17.64	17.46	17.89	17.94	16.07
P/E Ratio (net) (*)	6.82	6.91	6.96	7.04	6.87	6.96	8.07
Total bargains	19,260	21,294	23,864	22,692	21,305	23,407	—
Equity turnover £m	—	122.05	139.17	110.99	120.64	154.25	84.77
Equity bargains total	—	16,188	18,262	18,054	10,660	17,958	13,975

10 am 448.6. 11 am 452.0. Noon 450.3. 1 pm 450.3. 2 pm 450.1. 3 pm 448.7.

Latest Index 01-246 8026.

*Nil = 6.58.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928 Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	76.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	46.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.05 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.0 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 1	Jan. 31
—Daily		
Gilt Edged	103.6	108.5
Industrials	113.9	127.8
Speculative	44.7	68.0
Totals	79.1	90.1
5-d'y Av'r'ge		
Gilt Edged	115.8	119.4
Industrials	126.4	124.9
Speculative	62.5	63.5
Totals	89.4	98.8

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	—	89	1	93	254	103
Corpns. Dom. and Foreign Bonds	2	31	33	33	81	216
Industrials	196	337	884	1,486	1,144	4,380
Financial and Prop.	63	196	240	847	429	1,219
Oils	7	24	12	80	69	66
Plantations	1	11	18	42	28	70
Mines	54	37	58	310	217	218
Others	39	53	72	255	198	366
Totals	362	778	1,296	3,146	2,420	6,618

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (39)

CANADIANS (1)
Bow Valley
BANKS (1)
Arbuthnot Latham
STORES (1)
Bolton Textile
ELECTRICALS (5)
Automated Security; Sound Diffusion; Ferranti; Wholesale Fittings; Newmark (Louis)
ENGINEERING (1)
Ward (T. W.)
FOODS (1)
Edwards (Louis C.)
INDUSTRIALS (4)
Appld. Computer T.; G.R. (Holdings); De La Rue; Sunlight Services
SHIPPING (2)
Fisher (J.); Runciman (W.)
TRUSTS (4)
Carliol Inv.; Trans. Market Trust; Tyneside Inv.; West of England
OIL AND GAS (1)
Premier Cons.
OVERSEAS TRADERS (2)
Inchcape; Mitchell Cotts
RUBBERS (1)
Guthrie
MINES (6)
Bond Corp.; Oakbridge; Cons. Gold Fields; Selection Trust; Hampton Areas; Westmex

NEW LOWS (16)

BRITISH FUNDS (3)
Ex 13½pc 83 £60pd; Exch. 14pc '84; Treasury 12½pc '03-05 A (£25 pd.)
AMERICANS (3)
American Express; Richardson-Merrell; Norton Simon
STORES (1)
Vantona
ENGINEERING (1)
Startrite
INDUSTRIALS (6)
Br. Cargo A 5pc C.Pf; Fogarty (E.) Dfd.; Dunbee-Cmbx-Marx; Lesney Products; Emhart; PMA
TEXTILES (2)
Beckman (A.); Coats Patons

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9
Mar. 3	Mar. 14	Jun. 12	Jun. 23

For rate indications see end of Share Information Service

Call options were dealt in Premier Oil, Debenhams, Vickers, C. T. Bowring, Rustenburg Platinum, Lonrho, 'W' Ribbons, I. and J. Hyman, Howard Machinery, Mettoy, Bolton Textile, Lasmo, Arbuthnot Latham, Unitech and Coral Leisure. A put was done in FNFC, while doubles were arranged in Premier Oil, BP, C. T. Bowring, Western Mining and Town and City.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd. (a)(x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs. (a)

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L. & C. Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Limited

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Lazard Brothers & Co. (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price	+ or –	Int.	Red.
103¼	96	FFI 13pc 1981	97½	–¼	13.33	15.75
108¼	94	Do. 14pc '83	95½	–½	14.65	15.54
86½	77½	ICFC 5½pc Deb. '80-82	81	.....	6.80	14.53
85	69	Do. 6¼pc Db. '81-84	74	.....	8.62	14.30
99	79½	Do. 10¼pc Uns.Ln. '86	86xd	.....	12.20	14.00
99	77	Do. 11pc Uns.Ln. '88	84xd	.....	13.09	14.00
101½	80	Do. 11½pc Uns.Ln. '90	87½xd	.....	13.42	14.10
72½	54½	Do. 7¼pc ADeb. '89-92	60	.....	12.37	14.30
69	51½	Do. 7½pc A Db. '91-94	60½	.....	12.59	14.20
72	64	Do. 9pc 'A' '91-94	71½	.....	13.24	14.30
78½	61	Do. 8½pc Ln. '92-97	64½xd	+¼	13.75	14.30
102	85	Do. 12pc Uns.Ln. 1992	94	–½	15.88	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
110	59	Clive Dis'm 20p	78	.....	5.33	—	9.8	—
224	121	Com'l Aus. ($A1)	144	+2	018c	3.0	6.4	5.2
†117	862	Com. zbk. DM 10	910	.....	026.6%	—	7.6	—
£18¼	900	C'hgn. Hbk. Kr100	975	.....	012%	—	11.4	—
41	20	Corinthian 10p	38	–2	†1.05	5.9	3.9	0.4
£24¾	£15	Cred. France F75	£17½	.....	09.57%	—	3.7	—
11	5	Dawes (G. R.)	10	.....	—	—	—	—
†119½	£62½	Deutsche Bank DM50	£64	.....	028.12%	—	5.8	—
90	55	F. C. Finance	63	–2	2.2	4.9	5.0	5.8
17	5¾	First Nat. 10p	15¼	–¼	—	—	—	0.9
4	1½	Do. Wrrts. 75-83	2¾	.....	—	—	—	—
266	178	Gerrard Natnl.	258	.....	†9.12	—	5.5	—
80	38	Gibbs (A.)	70	.....	2.2	—	4.0	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY

Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Bonn: Pressehaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037

Cairo: P.O. Box 2040. Tel: 938510

Dublin: 25 Fitzwilliam Square. Telex 5414 Tel: 785321

Edinburgh: 37 George Street. Telex 72484 Tel: 031-226 4120

Frankfurt: Frankenallee 71-81. Telex 416052 Tel: 7598 234

Johannesburg: P.O. Box 2128. Telex 8-6257 Tel: 838-7545

Lisbon: Praca da Alegria 58-1D, Lisbon 2. Telex 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43

Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88

Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045. Telex 440340 Tel: (202) 47 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Edinburgh: 37 George Street. Telex 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow. Tel: 0532 454969

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Frankfurt: Frankenallee 68-72. Telex: 416193 Tel: 7598 1

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 238409 Tel: (212) 489 8300

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East. For further details, please contact: Overseas Advertisement Department, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments—Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
430	77	Coronation	385	......	Q54c	2.2	8.0
680	132	Falcon Rh.50c	670	......	Q100c	1.7	10.3
48	11	Rhod'n Corp. 16⅔p	43	......	0.56	6.5	1.9
267	78	Roan Cons. K4	235	......	Q0.125	ϕ	3.2
67	26	Wankie Col. Rh.1	60	......	Q9c	1.5	10.3
57	9	Zam.Cpr.SBD0.24	46	......	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
28	18	Acmex 50c	23	......	—	—	—
18	4	ACM 20c	17	−1	—	—	—
115	30	Bond Corp.	115	+24	Q3.75	2.2	1.7
179	109	Bougainville 50 Toea	178	+2	†Q19.8c	1.9	5.5
265	84	BH South 50c	195	−70	ϕ	—	—
12	12	Canada Northwest	12	......	—	—	—
26	8	Carr Boyd 20c	25	......	—	—	—
£25	340	Central Pacific	£21	−2	—	—	—
338	170	Conzinc Riotinto 50c	306	−2	NQ10c	2.0	1.7
36	14	Coltue Pacific H.L.	22	......	—	—	—
*50	2½	Eagle Corp. 10c	40	−3	—	—	—
23½	11	Endeavour 20c	23½	......	—	—	—
228	62	G. M. Kalgoorlie 25c	210	+4	†Q3c	—	0.7
320	148	Hampton Areas 5p	320	+20	3.5	2.8	1.6
75	20	Haoma Gold N.L.	32	......	—	—	—
72	25	Metals Ex. 50c	65	−1	—	—	—
306	134	M.I.M. Hldgs. 50c	302	−4	†Q16.1c	1.8	2.8
25	15	Minefields Expl.	19	......	—	—	—
142	30	Mount Lyell 25c	134	−8	—	—	—
44	13	Newmetal 20c	20	−2	—	—	—
169	91	††North B. Hill 50c	168	−1	Q12c	2.4	3.7
57	4½	Nth. Kalgurli	53	−1	—	—	—
165	45	Nth. Mining Corp.	146	......	—	—	—
71	18	N. West Mining N.L.	26	−1	—	—	—
235	76	Oakbridge $A1	235	+41	Q12c	4.7	2.6
112	22	Otter N. L.	102	......	—	—	—
146	58	Pacific Copper	144	......	—	—	—
*575	125	Pancont'l 25c	400	......	—	—	—
*62	2	Paringa M&Ex.5p	58	−1	—	—	—
480	248½	Peko-Wallsend 50c	460	−20	†Q17.5c	ϕ	2.0
217	125	Seltrust A	202	+4	—	—	—
900	145	Southern Pacific	808	−40	—	—	—
*67	8½	Swan Resources 20c	67	......	—	—	—
36	12	West Coast 25c	13	......	—	—	—
244	121	Westn. Mining 50c	238	−4	Q7c	1.6	1.6
30	8	Westmex	30	+5	—	—	—
94	40	Whim Creek 20c	85	−3	—	—	—
25	10½	York Resources	15½	......	—	—	—

TINS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
30	23	Amal. Nigeria	27xd	......	1.0	1.9	5.3
435	265	Ayer Hitam $M1	305	......	Q290c	0.9	19.4
72	48	Beralt Tin	65	......	4.5	ϕ	9.9
270	149½	Berjuntai $M1	165	......	†Q95c	1.0	‡
190	125	Geevor	165	......	8.71	3.3	7.5
11	8	Gold & Base 12½p	11	......	—	—	—
365	295	Gopeng Cons.	345xd	+10	25.0	ϕ	10.4
370	289	Hongkong	300	......	35.87	ϕ	17.1
98	64	Idris 10p	93xd	......	28.0	ϕ	12.3
15	9½	Jantar 12½p	15	......	—	—	—
95	38	Kamunting $M0.50	64	......	Q47½c	1.1	16.7
620	210	Killinghall $M1	300	......	2060c	—	4.1
585	365	Malay Dredging $M1	565	......	†Q105c	2.6	3.8
57	26	Pahang	27	......	0.44	0.3	2.4
123	60	Pengkalen 10p	98xd	−2	6.0	ϕ	8.7
275	195	Petaling $M1	236	......	Q150c	ϕ	13.0
87	53	Saint Piran	65	......	†2.5	6.4	‡
58	34	South Crofty 10p	38	−2	†3.0	2.0	‡
230	170	South Kinta $M0.50	215	−5	Q150c	1.8	14.2
430	285	Sthn Malayan $M1	375	......	Q175c	2.1	9.5
310	210	Sungei Besi $M1	248	......	†Q520c	1.0	42.9
75	25	Supreme Corp. $M1	35	......	Z010c	—	5.8
105	93	Tanjong 15p	100xd	......	74.5	ϕ	6.4
115	90	Tongkah H. Tin	90	......	Q45c	1.3	11.2
280	190	Tronoh $M1	245	......	†Q25c	[illegible]	2.1

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
190	56	Messina R0.50	187	......	Q10c	ϕ	3.1

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
81	54	Barymin	62	−2	—	—	—
14½	10	Burma Mines 17½p	13½	......	—	—	—
460	170	Cons. Murch. 10c	402	−5	Q100c	ϕ	14.2
585	280	Northgate C$1	540	−25	—	—	—
417	226	R.T.Z.	408	+2	†11.5	3.4	4.0
31	12	Robert Mines	26	......	—	—	—
65	26	Sabina Inds. C$1	44	......	—	—	—
880	470	Tara Exptn. $1	520	−20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- • "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed, or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issues: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ✝ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✝ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.
- ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27	......
Bertam	18	......
Bdg'wtr. Est. 50p	365	......
Clover Croft	58	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	16	−2
Fife Forge	38	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	925	......
Higsons Brew.	82	+3
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	175	−5
Pearce (C. H.)	385	......
Peel Mills	37	+3
Sheff. Refrshmt	98	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£86	......
Nat. 9¾% 84/89	£71	......
Fin. 13% 97/02	£85½	......
Alliance Gas	66	......
Arnott	340	......
Carroll (P.J.)	52	−1
Clondalkin	105	......
Concrete Prods.	83	......
Helton (Hldgs.)	35	......
Ins. Corp.	200	......
Irish Ropes	66	......
Jacob	34½	−½
T.M.G.	145	−5
Unidare	80	......

OPTIONS
3-month Call Rates

Industrials

A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	5½
Eagle Star	14
F.N.F.C.	1½
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met.	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd.	16
House of Fraser	12
I.C.I.	22
"Imps"	7
I.C.L.	45
Inveresk	5
Ladbroke	15
Legal & Gen.	14
Lex Service	10
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lucas Inds.	20
"Mams"	14
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd.	9
Plessey	10
Racal Elect.	20
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	14
Woolworths	6½

Property

Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Brit. Petroleum	28
Burmah Oil	15
Charterhall	6½
KCA	6½
Premier	7
Shell	28
Tricentrol	27
Ultramar	32

Mines

Charter Cons.	18
Cons. Gold	40
Lonrho	9
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday February 2 1980

WOMAN OF THE WEEK

Monarch without pomp

BY CHARLES BATCHELOR

AT 70 Queen Juliana is the oldest reigning monarch in Europe. She is also the least formal of monarchs and one whose relaxed style belies her years. Her daughter Crown Princess Beatrix, who is to succeed her on April 30, does not share her mother's easy informality though she too has built up great popularity in the years of her grooming for the throne.

The manner of Queen Juliana's announcement that she was to abdicate reflected the style of her reign. Clearly deeply moved, explaining simply she had now grown too old to bear the responsibilities and with an uncertain sideways glance as the television image faded, Juliana announced her intention of stepping down.

A commemorative film produced to mark the Queen's 70th birthday showed the rather awkward young girl who in 1948 was to ascend to the throne. This awkwardness never entirely left her though Juliana's directness and lack of pretention only succeeded in endearing her more to the vast majority of the Dutch people.

Queen Juliana and her daughter Crown Princess Beatrix

Her years as Queen were a great contrast to her mother Wilhelmina's half century on the throne. A cabinet minister once commented on Juliana: "If you didn't agree with her you just told her so. It was totally different with Wilhelmina. With her you felt you were on the carpet. With Juliana you had just been asked in for coffee."

While the picture of the bicycling queen is what appealed to most Dutch men and women it should not be allowed to disguise the deeper level. She is an experienced stateswoman with an invaluable fund of experience and advice for her country's rapidly changing political leaders. The multiplicity of political parties and the often unstable coalitions they form require a respected figure to stand above the melee.

It was Juliana who decided, on the advice of the parties and her officials, which of the Netherlands' post-war coalitions stood the best chance of forming a stable government. Under the Dutch system it was she who appointed an "informateur" to piece together the political jigsaw.

Queen Juliana's decision to abdicate has come just as the Netherlands has finished celebrating its first 400 years as a nation. The Northern provinces signed the Union of Utrecht in 1579 as a symbol of their unity against their Spanish masters. The Netherlands finally took on its present form in 1839 when Belgium gained its independence.

Beatrix shares her grandmother's strength of will as evidenced by her decision, unpopular with many Dutch people, to marry the German-born Claus von Amsberg in 1966. Smoke bombs were thrown during the wedding ceremony. While Beatrix, now 42, has pursued the traditional charitable interests of royalty, she is well equipped as a modern monarch. Fluent in English, French and German and a competent musician and sculptress she studied law, history and literature at the ancient University of Leiden.

Her many travels with her former diplomat husband have taken her to China, the Soviet Union, the Middle East and Africa. Her decision to use the renovated Noordeinde Palace in The Hague as an administrative centre and for state occasions will mean a royal presence in the city for the first time in several decades.

The Netherland's new queen clearly intends to be at the centre of events.

Shell sues over oil cargo disappearance

BY JOHN MOORE

SHELL HAS sued Oxford Shipping Company Incorporated and its chief executive, Mr. Frederick Soudan for compensation for the disappearance of a cargo of oil, with an insured value of $56.3m. before the oil tanker Salem sank in mysterious circumstances last month.

Shell said last night that other legal action was planned in South Africa but declined to say who the action would be against. Lawyers for Shell are in South Africa preparing material for a future action.

The action against the Oxford Shipping Company of Liberia and Mr. Soudan follows the sinking of the very big crude carrier Salem, 213,928 dwt, which was bound from Kuwait to France, according to the writ, with a cargo of 193,132 tonnes of crude oil which Shell had bought in mid-voyage from a Swiss company, Pontoil.

The 1969-built ship purchased by the Oxford Shipping Company only a month before, sank off the West African coast on January 17 after a series of explosions.

A Tunisian member of the crew has stated that the bulk of the oil cargo was discharged at Durban after an unscheduled stop and replaced with seawater so that the ship would appear fully loaded. He has alleged that the crew were given bonus payments and told to remain quiet.

The action launched by Shell against the Oxford Shipping Company alleges breach of contract and/or duty and/or negligence in the carriage of the cargo. Mr. Soudan and Oxford Shipping are expected to defend the action.

When Mr. Soudan's company bought the vessel its name was changed from South Star to Salem, and Oxford Shipping subsequently chartered the vessel to another company, Shipamex, which uses an accommodation address in Switzerland. Police and insurance investigators are looking into the ownership of Shipamex.

In Liberia a preliminary investigation is being conducted into the explosion and subsequent loss of the Liberian registered Salem. Yesterday the Liberian authorities stressed that they are aware of the possibility of fraud and have given specific directives to Principal Deputy Commissioner Montgomery to obtain all relevant documents relating to the casualty.

A formal board of inquiry is being established and will pay particular attention to the allegations of criminal fraud.

Japanese car import curb stays

By Kenneth Gooding, Motor Industry Correspondent

JAPANESE car manufacturers are to continue to restrict their shipments to the UK.

British executives who returned yesterday from talks in Acapulco were certain that the Japanese would reluctantly restrict themselves to about 10 per cent of the new car market this year even though sales are expected to decline steeply.

It became clear at the talks this week between the motor industries of the two countries that the Japanese car makers are becoming increasingly impatient with the voluntary arrangements, in their fifth year.

This was reflected in the brief joint statement issued in London yesterday by the Japanese Automobile Manufacturers Association (JAMA) and the UK Society of Motor Manufacturers and Traders (SMMT).

This said that JAMA "hoped" its members would continue to show prudence in the UK market "but indicated its serious concern about the decline in the Japanese share of imports."

The voluntary restrictions were designed to give BL some breathing space for recovery but the Japanese feel that their restraint has instead opened the way for Continental car importers.

However, some UK executives feel that not all the 11 JAMA members will follow the request for continued restraint.

And there is a feeling in the industry that the way has been left open for Nissan to ship more Datsun cars to Britain this year to allow its local distributor, Datsun UK, to rebuild its very low stocks. That would not necessarily give the company a bigger market share.

In January, when sales reached about the same level as January last year—that is 156,000—Datsun's market share was 3.3 per cent compared with 5.3 per cent in the same month last year and nearly 6 per cent for the whole of last year. Total Japanese market share in January was 7 per cent against 8.73 per cent in January last year.

£30m cash injection for Talbot cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TALBOT UK, the former Chrysler concern, has received a cash injection of £30m from its French parent group.

M. Francois Perrin-Pelletier, president of Talbot Europe, said the move is "a show of confidence in the British unit" and that it should allow Talbot UK "to recover and restore its financial equilibrium."

Talbot UK said yesterday that the money would be used for working capital. The company's financial position was badly hit in 1979 first by the loss of its Iranian export business—it sent 100,000 car kits worth well over £100m—and then by the 14-week pay dispute.

As a result losses in the first six months of 1979 reached £17.3m and for the year are likely to be nearly £40m. This compares with losses of £20.2m in 1978, £21.5m in 1977 and £43m in 1976.

The UK Government underwrote the losses to the extent of paying out £41.5m in 1976, £10m in 1977 and £7.5m in 1978.

However, 1979 is the last year the Government will make a contribution towards losses and this is limited to £5m. A further £5m will be put up by Chrysler Corporation of the U.S.—previous owner of Talbot which sold out its European business to Peugeot-Citroen in 1978.

The £30m now injected into Talbot—by way of an increase in capital to £85.243m—appears to cover the expected loss, after deducting the maximum amounts due from the Government and Chrysler U.S.

Mr. George Turnbull, who heads Talbot UK, recently indicated that the company has only 12 months to show it can move from being a heavy loss-maker into profit.

The cash for Talbot UK is being channelled through Automobiles Talbot, the former Chrysler France, itself a previous loss-maker.

The ultimate holding company, Peugeot-Citroen, is pumping FFr 675m (£73m) into Automobiles Talbot by way of a rights issue by the end of this month.

Iran-Japan project

BY ANTHONY McDERMOTT

THE JAPANESE Government has informed Iran that work on the $3.3bn petrochemical complex at Bandar Khomeini in the south will resume in a few days, Mr. Ali Akbar Moinfar, the Iranian Oil Minister, said yesterday.

On Wednesday, Mr. Eimei Yamashita, Mitsui's senior managing director, who is also vice-president of Iran-Japan Petrochemical Company, left Tokyo to attend an IJPC board meeting on February 3. At the time, Mitsui, the main Japanese promoter of the project, said it would hope to resume work at Bandar Khomeini in April.

Work on the project, which is being carried out by IJPC (a 50:50 joint venture between the National Petrochemical Company of Iran and a group of Mitsui companies) was halted at the time of the Shah's overthrow last February. Since then financing problems have resulted from inflation and the delays. There have also been disputes over the composition of the workforce.

Last month, Mr. Moinfar said that Iran might seek new partners if Japan was unwilling to finish the complex. Talks were held with East European contractors, in particular the Yugoslavs. The Japanese were faced with other complications because of their dependence on imported oil and the U.S. request for economic sanctions against Iran after the U.S. hostages were held in Tehran.

The Japanese have now agreed to buy directly, or indirectly, 80,000 b/d of oil from Iran this year and have also asked the U.S. to exclude the petrochemicals project from the sanctions list.

Continued from Page 1

Private steelmen

clear. If it brought about a settlement of the dispute with the British Steel Corporation this would be beneficial for the country.

"There are economic hypotheses with which courts are not equipped to deal," he said.

After the judgment the Confederation of British Industry said there was now clearly a need for a change in the law.

But Mr. Len Murray, TUC general secretary, said: "Lord Denning's misguided meddling, now thankfully put right, has demonstrated once again the foolishness of bringing legal wrangling into industrial relations."

Richard Evans writes: Mr. James Prior, the Employment Secretary, will resist any pressure on him for further amendments to the Employment Bill now before Parliament, following the decision of the Law Lords.

He has already said that he intends to table amendments on secondary blacking during the Bill's Committee Stage, after publication next week of a consultative paper.

This will give the Government's assessment of the Lords' judgment in the Express-NUJ case concerning remoteness from the original dispute.

In the Government's view, the issue of secondary picketing is already adequately covered in the Bill, and any attempt to strengthen it at present would lead to confrontation with the unions.

But there were immediate demands last night for tougher action from some Tory backbenchers.

Mr. John Page, Tory MP for Harrow West, said the Lords' judgment led him to believe that in the field of secondary picketing and blacking the law would now have to be strengthened.

"I hope the Government will introduce suitable amendments into the Employment Bill which will reflect strong public opinion on this matter."

Mr. George Gardiner, MP for Reigate, said that Mr. Prior would clearly have to take action, but the question was whether it would be enough.

"Even under his proposed new law, it won't be a criminal offence to mount a secondary picket, or to undertake secondary blacking, or to picket in massive numbers, or to use the threat of expulsion from a union to silence moderate men," he said.

Continued from Page 1

Bank acts

rate of 17 per cent and then re-lend to the market at a profit. This has not yet been on a significant scale although if it did develop there could be further pressure for a rise in base rates.

The rise in market interest rates was reflected at yesterday's Treasury Bill tender when the rate rose by 0.44 to 16.1858 per cent—slightly above the previous peak in mid-November.

The high cost of money has led to sales of gilt-edged stock by discount houses. Banks have also been sellers since they face severe pressure if they are to maintain the necessary minimum of reserve assets. One result has been to push some major banks further into the area where they could pay penalties under the corset restrictions on the growth of their operations.

These pressures have led to sharp falls in the prices of gilt-edged stock over the last week—both shorts and longs. At the long end, the new stock—Treasury 12¾ per cent 2003-05—closed last night at £22¼ compared with £26¼ on Thursday morning of the previous week.

Financing sought by Insac Viewdata

BY GUY DE JONQUIERES

INSAC VIEWDATA, the National Enterprise Board subsidiary set up two years ago to market electronic information services, is looking at the possibility of obtaining financial backing from outside investors.

This was disclosed yesterday as part of a flourish of announcements, which included a change in the organisation's name. It will be known henceforth as Aregon Group—a name derived from the classic Greek word for "helper."

It also unveiled a new Viewdata system, called the IVS-3, intended primarily for in-house business and public use. It is designed to allow users unskilled in computing both to retrieve and feed in information by means of a simple keypad or alphanumeric keyboard.

The system, which will sell for about £65,000 including hardware, is meant to complement and not compete with the Post Office's Prestel service which Aregon is already marketing. Both systems use television sets to display data stored in a central computer, linked by telephone line.

Aregon has already received three orders for the IVS-3, totalling about £200,000, from customers in Belgium, New Zealand and Switzerland. It will be marketed under licence in the UK by Systems designers, which developed much of the software for it.

Arrangements have also been made to market it in West Germany and the Netherlands.

Mr. John Pearce, managing director of Aregon Group, said yesterday that he hoped to start exploring the possibility of raising outside finance later this year after the NEB had approved the latest five-year corporate development plan in the spring.

The plan had been drawn up after soundings had been taken in the City to determine likely investor attitudes, which have in the past been cool towards advanced projects in the electronics sector.

IVS-3 could be the rapid collec-

If all went well, Aregon would probably look to private investors initially to provide part of £12m earmarked for the organisation last year by the NEB. The board has so far committed about £4m of this.

Mr. Pearce indicated that the organisation would probably seek financing through the sale of equity since it was not yet generating sufficient cash flow to be able to service debt.

Weather

UK TODAY

WIDESPREAD showers may be of snow. Bright intervals possible. Cold.

London, S.E., Cent. S., S.W. England, S. Wales
Sunny intervals with showers, heavy and prolonged in places. Max. 6C (43F).

E. Anglia, Midlands
Outbreaks of rain or snow. Max. 5C (41F).

E. Cent. N., N.W. England, N. Wales
Outbreaks of snow, heavy in places. Few bright intervals. Max. 4C (39F).

Lake District, I. of M., N.E. England, Borders, S.W. Scotland, N. Ireland
Bright intervals after rain and snow clears. Max. 2C (36F).

E., N. Scotland
Snow showers, heavy in places. Max. 1C (34F).

Outlook: Sunny intervals and snow showers, heavy at times. Cold, with widespread frost.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	L. Plms.	F	18	66
Algiers	F	17	63	Lisbon	S	12	54
Amsdm.	F	3	37	Locarno	S	[illegible]	75
Athens	F	16	61	London	F	3	37
Bahrain	S	14	57	Luxmbg.	Sn	1	34
Barcelna.	S	15	59	Luxor	S	[illegible]	46
Beirut	F	15	59	Madrid	S	9	48
Belfast	F	1	34	Majorca	S	15	59
Belgrd.	C	11	52	Malaga	S	18	64
Berlin	Sn	0	32	Malta	F	16	61
Biarritz	R	10	50	Mchstr.	S	1	34
Brmghm.	F	2	36	Melbne.	S	31	88
Blackp'l	S	4	39	Mex. C.	S	22	72
Bordx.	F	12	54	M'ntreal	S	−7	19
Boulgn.	C	3	37	Moscow	Sn	−4	25
Bristol	C	3	37	Munich	C	5	41
Brussels	F	3	37	Nairobi	R	21	70
Budpst.	R	5	41	Naples	R	12	54
B. Aires	S	23	73	Nwcstl.	S	2	36
Cairo	S	18	64	N. York	S	−7	19
Cardiff	C	3	37	Nice	S	14	57
Cas'b'ca	F	18	64	Nicosia	S	16	61
Cape T.	S	26	79	Oslo	S	−16	3
Chicago	S	−8	17	Paris	C	6	43
Cologne	Sn	2	36	Perth	S	28	82
Cpnhgn.	C	−4	25	Prague	R	5	41
Corfu	C	13	55	Reykjvk.	S	−8	18
Dublin	S	3	37	Rhodes	S	15	59
Dbrvnk.	C	12	54	Rio J'o	C	31	88
Ednbgh.	C	−1	30	Rome	F	16	61
Florence	C	14	57	Salzb'rg	C	6	43
Frankf't	S	3	37	Singapr.	S	31	88
Funchal	C	18	65	Stckhm.	F	−7	19
Geneva	C	4	39	Strasbg.	C	2	36
Gibrltr.	S	17	63	Sydney	S	[illegible]	86
Glasgow	C	1	34	Tangier	S	15	59
G'msey	F	8	46	Tel Aviv	S	[illegible]	81
Helsinki	S	−18	0	Tokyo	C	6	43
H. Kong	C	10	50	Toronto	C	−5	[illegible]
Innsbr'k	C	5	41	Tunis	R	14	57
Invrnss.	C	0	32	Valencia	S	15	59
I. o. Man	S	4	39	Venice	C	4	39
Istanbul	F	11	52	Vienna	F	7	45
Jersey	F	7	45	Warsaw	C	7	45
Jo'burg	C	24	75	Zurich	R	4	39

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Decca radar picks up GEC

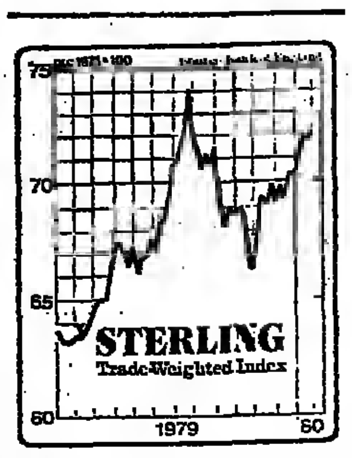
Appearances to the contrary, GEC's planned bid for Racal is not simply a last minute attempt to spoil Racal's expansionary ambitions. Like practically everyone else in the business, GEC has put out friendly feelers towards Decca for years past, and in straightforward industrial terms it could well be a more logical owner of the business than Racal. The two companies have already been involved in a lot of combined projects—the Rapier missile, Doppler navigation systems—and they have both played an active part in the development of electronic warfare systems. Their complementary nature is particularly obvious on the marine side, one of the most important parts of Decca's business. GEC-Marconi is big in marine communications, while Decca has a large range of lower power marine radar sets and, of course, the Navigator system.

So in a number of areas GEC and Decca would represent a marriage of comparable technologies, in some of which each would be able to make a positive contribution to the other. Racal's takeover motives appear to be quite different. It wants Decca for its valuable microwave technology, which would be expensive and time-consuming to develop independently. With Decca under its belt, Racal would be able to offer customers a complete package of communications systems, something which it is not able to do at present.

In a corporate sense, then, Racal probably needs Decca more than does GEC — which helps to explain yesterday's stock market reaction to the news. GEC's shares only slipped 5p to 349p, whereas Racal's fell 13p to 226. Although GEC is not known for making over-generous takeover bids, it could if nothing else turn Decca into a very expensive acquisition for Racal if it so wished. Racal is valued in the stock market at £520m and its all-equity offer is currently worth around £66m. GEC is capitalised at nearly £2bn, and an all-cash offer would not make much of a dent in its famous pile of money.

In management terms, Racal has a lot to offer Decca — but then Marconi's financial record is impressive too. Because of the closer overlap in technology there is a much greater chance that a bid from GEC would trigger a reference to the Monopolies Commission than would that from Racal, especially when it is remembered that Thorn's bid for EMI only escaped being referred by a hair's breadth. Is Decca in a sufficiently robust state to permit such a delay. If so, will the choice be in favour of the creation of a powerful international business via a GEC link; or the increased competition which might come from a Racal offer? GEC's bid, which is likely to come at the very beginning of next week, promises to start one of the most intriguing takeover battles that the City has seen in a long while.

Index fell 5.5 to 447.8



Rockwell/Serck

Rockwell International clearly enjoyed the rough-and-tumble of City life so much last year that it has come back for more. Then, its advisers were rebuked by the Takeover Panel for buying Wilmot Breedon shares in the market at a price above the level at which Rockwell had indicated that it might bid. This time, there has been another lightning raid—29.7 per cent of Serck picked up at 75p a share—but no mention of a bid. Rockwell is acting "without commitment as to the future."

It seems to have been scared into this uncommitted state by the busy market in Serck shares, which came up from 40p to 51p this week amid rumours that BTR has been building up a stake. Rockwell and Serck have had a long and fairly cosy relationship, but Serck was apparently not consulted about the share purchase.

Given that Rockwell is interested in buying up UK engineering companies on the cheap, as it did with Wilmot Breeden, there would certainly be some sense in a bid. The two companies' valve businesses overlap, and Rockwell could probably get work for Serck in the U.S. as well as broadening its own European base. After its profits collapse to £1.6m in 1978/79, Serck should make £5m this year despite the weakness of the world markets for valves and heat exchange equipment.

It is going to be hard, however, for Serck to mount a credible defence after its recent profits record. It fought Associated Engineering off in 1977 on the basis of a 6p dividend and profits of over £9m pre-tax: last year the dividend was cut to 3.4p, and investors who refused a bid worth nearly 90p from AE have seen their shares down to 35p. Unless BTR, or anyone else, starts an auction, it will be a problem to push Rockwell much above 75p.

Gilt-edged

What was first diagnosed as indigestion in the gilt-edged market turns out to have been a gastric ulcer; postponing the recall of special deposits is no more than a teaspoon of bicarb. The squeeze in the money market has at last worked through short gilts, which banks and discount houses have been selling heavily, to the longs. The former long tap, sold out at over £26 last Thursday, was traded as low as £22¼ yesterday.

The shortage of funds will be exacerbated by calls on this stock and the partly-paid BP shares over the next fortnight. On top of the reserve assets squeeze, the clearing banks are finding that loan demand from commercial customers for on-lending in the money market threatens to push them deeper into trouble with the corset—unless the Bank of England helps out on make-up day. Raising base rates is out of the question with bumper profits announcements just round the corner.

Town & City

Town and City Properties continues along its weary road. Its operating income in the first half year has risen quite smartly, but the impact has been swamped by higher interest rates—up by about 4 points compared with the comparable six months. The upshot is a loss of £7.6m before tax, and average rates could well be 3 points higher still in the current half. Although the group continues to sell off property at above book value, its borrowings still amount to roughly £200m, three fifths of which are at variable rates. Book value of net assets is around £75m and a market capitalisation of £45m is discounting a fall in interest rates.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.
G H